peared in the CONGRESSIONAL RECORD of July 29, 1976, p. 24472:

H.R. 14701. July 2, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from salary and leave payments by the Federal Housing Administration. Directs the Civil Service Commission to recompute such individual's civil service retirement annuity.

H.R. 14702. July 2, 1976. International Relations. Grants the consent of Congress to a certain retired member of the United States Army to accept employment with the United Kingdom Equal Opportunities Commission.

H.R. 14703. July 19, 1976. Ways and Means. Amends the Tariff Schedules of the United States to increase for a five-year period the customs duty on certain hand tools.

H.R. 14704. July 19, 1976. Appropriations. Amends the Third Supplemental Apropriations Act of 1957 to provide that unexpended funds subject to disbursement by the Clerk of the House of Representatives shall be returned to the Treasury of the United States four months after the close of the fiscal year for which such funds are appropriated.

H.R. 14705. July 19, 1976. Post Office and Civil Service. Limits the persons who may be admitted to the Federal competitive service to those individuals who either are United States citizens or owe permanent allegiance to the United States. Authorizes the President to prescribe exceptions from such requirement.

H.R. 14706. July 19, 1976. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to regulate the use of protective components in audio and visual electronic equipment which are capable of reducing interference from radio frequency energy.

H.R. 14707. July 19, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to direct the Federal Power Commission to require utilities to file curtailment plans to meet anticipated power shortages.

Requires public hearings on proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 14708. July 19, 1976. Ways and Means. Authorizes the President, under the Old-Age, Survivors, and Disability Insurance program of the Social Security Act, to enter into agreements establishing totalization arrangements between the social security system of the United States and the social security system of any foreign country, for the purpose of establishing entitlement to and the amount of old-age, survivors, disability, or derivative benefits based on a combination of an individual's periods of coverage under the social security system established by this title and the social security system of such foreign country.

H.R. 14709. July 19, 1976. Education and Labor. Amends the Age Discrimination Act of 1967 to make it an unlawful employment practice to discriminate on the basis of an individual's age. Prohibits denying an individual an office in a labor organization because of such individual's age.

H.R. 14710. July 19, 1976. Ways and Means. Amends the program of Grants to States for Services of the Social Security Act to require an increase in the amount of the fund from which payments are made to the States pursuant to such program each time benefit amounts are increased under the Old-Age, Survivors, and Disability Insurance Program because of increases in the cost of living.

H.R. 14711. July 19, 1976. Ways and Means. Amends the program of Grants to States for Services of the Social Security Act to allot funds not used by some of the States to States which have a need for additional funds for social services.

H.R. 14712. July 19, 1976. Interior and Insular Affairs. Authorizes the Secretary of the Interior to provide technical and financial assistance to the State of Alabama for the purpose of correcting slope failures and erosion problems along the Coosa River at the Fort Toulouse National Historical Landmark and Taskigi Indian Mound.

H.R. 14713. July 19, 1976. Interior and Insular Affairs. Directs the Secretary, of the Interior acting through the Director of the Bureau of Land Management, to amend the description of certain land in Colorado granted by the United States in a patent issued to a certain individual.

H.R. 14714. July 19, 1976. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to construct a replacement lock and dam on the Mississippi River near Alton, Illinois. Withdraws all authority with respect to channel construction and modification on the Upper Mississippi River.

H.R. 14715. July 19, 1976. Education and Labor. Exempts from the sex discrimination provisions of the Education Amendments of 1972, education programs or activities in which participation is limited to parents of either sex and those parents' children of either sex.

H.R. 14716. July 19, 1976. House Administration. Establishes six regional Presidential primary election districts and sets dates for primary elections to be held in such districts for the purpose of electing delegates to the national political conventions. Prohibits any State from conducting a Presidential primary election except in accordance with this Act.

H.R. 14717. July 19, 1976. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code to allow a participant in a qualified employee sevings plan to use the nonforfeitable benefit accrued in such plan as security for a loan from a bank or insured credit union.

H.R. 14718. July 19, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment, used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14719. July 19, 1976. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 14720. July 19, 1976. Public Works and Transportation. Modifies the project for flood protection on the North Branch of the Susquehanna River, New York and Pennsylvania, to direct the Secretary of the Army to relocate the village of Nelson, Pennsylvania.

EXTENSIONS OF REMARKS

U.S. COMMISSIONER OF EDUCATION T. H. BELL LEAVES SIGNIFICANT IMPRINT ON THE FUTURE OF PUBLIC EDUCATION IN AMERICA—FEDERAL AND STATE RELATIONSHIPS ARE IMPROVED

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, July 30, 1976

Mr. RANDOLPH. Mr. President, this week we will lose the services of the U.S. Commissioner of Education T. H. Bell. He has been a dedicated and effective official. Commissioner Bell will, on August 1, become Commissioner of Higher Education for the State of Utah. Dr. Bell had served previously as Utah State Superintendent of Public Instruction.

Members of Congress and individuals in the education community who have worked with him know of his creative leadership. As the 21st Commissioner of Education in the 107-year history of USOE, Dr. Bell exhibited a depth of experience at all levels of education which is, perhaps, unique in the history of the agency.

I am especially gratified with his efforts on behalf of the education of handicapped children, and his support for the concept of educating young men and women for usable skills at all levels of education. One of the significant and successful steps Dr. Bell has taken during the past 2 years has been to reestablish a working dialog between Washington and educators in the field. His efforts to build a closer working relationship with the States was characterized with a series of "Week in Washington" meetings for key State educational personnel and education program administrators.

West Virginia was the third State in the Union to participate in this series of Federal-State meetings. The opportunity for State educators to consult with their Washington counterparts, giving advice and receiving suggestions on how to better the education community will, in my opinion, have a productive effect on the future of education. It is my hope that this program can be continued. Dr. Bell's innovative approaches to policymaking and administration have created a new and refreshing climate in education.

Dr. Bell's experience at many levels of education has produced a balanced viewpoint in the belief that our country is best served by strong support for all areas of education, by diversity of institutional character, and by providing equality of access to the knowledge that can best benefit the individual.

With major education bills before the Congress this year and in 1977, the departure of this creative explorer and tireless administrator creates a critical problem of transition. The nomination and confirmation of a new Commissioner of Education demands a careful exami-

nation of the direction in which public education will go in the years ahead.

Fortunately, Commissioner Bell has thoughtfully provided guidelines for our consideration in selecting his successor. In a speech before the Council of Chief State School Officers he offered a series of predictions of what is ahead for education in the United States. These insights of the future were summarized briefly in the American School Board Journal, with appropriate editorial comment.

Mr. President, I ask unanimous consent that the Journal article on Dr. Bell's predictions be printed in the RECORD. I further request that portions of a speech he delivered to the spring honors awards dinner at West Virginia University last April, in which he presented an excellent philosophical challenge on the true meaning of education, be printed in the RECORD.

There being no obection, the material was ordered to be printed in the RECORD, as follows:

[From the American School Board Journal]

SIXTEEN JOLTS IN STORE FOR PUBLIC EDUCATION

Unlike some of his predecessors, U.S. Education Commissioner Terrel Bell (who leaves office at the end of this month) has served at many levels of education—from teacher to school superintendent to chief state school officer to cabinet officer. So, a few weeks ago, when Bell spoke before the Council of Chief State School Officers for the last time as a federal official, it was pretty much expected by the chiefs that his words would be weighted with considerable wisdom.

Bell did not disappoint them. He offered 16 predictions of what is ahead for education in the U.S.—not all of them sweet, and some of them downright alarming.

1. Tension will mount between the states and the U.S. Office of Education as U.S.O.E. proceeds to administer the Education for All Handicapped Children Act (see page 46). Absolute demands mandated by that portentous law must be met starting in September 1978. Harried school people doubtless will be pleased to hear that Bell added this: U.S.O.E. has the responsibility for enforcement, "but not the obligation for providing the money."

2. Attacks upon local control of education will continue (the attackers being those who write policies, particularly state legislatures). This most serious of threats will comprise a principal topic of a special bicentennial essay by Harold V. Webb, to be published in the August Journal.

3. Demands—not all of them reasonable—on state education agencies to attain student-oriented, performance results (accountability) are expected to continue.

4. Sustained emphasis upon targeting federal money for special groups will persist (and Congress will spell out the policy for it).

5. Influence of the courts upon shaping educational policy will hold steady, but will shift more toward reforms in school finance as a means to attain equal rights for students.

6. Congress will continue to write educational policy for states and local school districts to implement; also look to Congress to advance solidly into policymaking.

7. Collective bargaining will spread and become universal at all levels of education—kindergarten through graduate school.

8. Technology (computers and so forth) will make dramatic strides and constitute essential equipment used in all sectors of education.

9. Public schools should anticipate steadily increasing competition from private schools. The independent institutions possess a strong lobby, Bell contends, "and will take you on in a loud, persuasive voice." He reminds us, correctly, that the annual $2.3 billion student aid program in higher education is essentially a voucher system, and he expects that something similar will evolve in elementary and secondary education. Private schools, Bell predicts, "are going to make an enormously strong comeback."

10. Full-scale government support of day care and early childhood services is a sure thing. And when the big push does come, it will cause "an enormous struggle between public schools and other agencies"—as well as portend increased government control.

11. A major campaign will be waged for retirement incentives that will induce older teachers to leave service so that younger ones can move up. The logic of this, according to Bell, rests with the premise of putting the more experienced (and expensive) teachers out to pasture to make room for the younger (lower salaried) ones.

12. Teacher certification likely will be managed by teacher unions.

13. A merger of all teachers into one gigantic union will see the light of day sooner rather than later.

14. A department of education, as a separate cabinet office, will be established. This can mean good news and bad, Bell thinks, by ushering in a growth of federal spending coupled with "a greater federal presence than ever before."

15. A major decrease in the size of high schools can be expected, not only as a result of declining enrollments, but also owing to the frustrations of managing large educational units.

16. Paper and print will give way to electronic libraries and newspapers because of the rapidly mounting expense of storing everything on paper.

THE CHARACTERISTICS OF AN EDUCATED PERSON, T. H. BELL, U.S. COMMISSIONER OF EDUCATION

It is a distinct privilege to speak at your Spring Honors Award Dinner. I feel all the more honored because the invitation was extended to me by one of the Nation's great lawmakers, a true leader in the United States Senate, your own Senator Jennings Randolph.

When Senator Randolph asked me to come here he assured me that I could put in a full day at the Office of Education before leaving and then return to Washington before 10:00 p.m. tonight—allowing plenty of time to get caught up on any reading I have to do before tomorrow morning. I appreciate that kind of careful planning, and I'm sure the taxpayers appreciate it even more. It's hard to get your money's worth out of a bureaucrat these days.

My guess is that you who are being honored learned early in your university experience the importance of the careful use of time and the need for planning. This can make the difference between succeeding and not succeeding—the difference between a meaningful life and a meaningless one.

The real point of your having been chosen by your deans for this honor is not that it bestows prestige upon you, important as that certainly is to you and your parents. The real point is that you have been chosen because you have developed the discipline of learning. This discipline can serve you throughout life. Being chosen for this award can signify to you that your dean considers you on target, on course, for the next step.

You will be moving from the environment in which you have lived as an undergraduate student for the past four years into the environment of graduate study or into the world of employment. This new environment may or may not heed the honor you have received tonight, but one thing is sure, and that is that society will never cease asking the question "Are you educated?" Sometimes you may even ask yourself—"What does it mean to become educated?" or "How do I know that I have become educated?"

Let's examine that last one.

A wise man said to me: "Education is a process, not a destination . . . Education is the process of moving from cocksure ignorance to thoughtful uncertainty." I hope I don't display too much cocksure ignorance as I proceed to help you answer the question: "How do you know that you have become educated?"

I am going to put 10 questions. Your own individual tally of "Yes" answers should help each of you to determine how far you have already moved away from ignorance.

My first question is: Do you have a salable, specialized skill you can use to earn a good living?

A feeling of worth and dignity is most often attained through one's work. The self-respect and self-confidence so important to all of us are usually byproducts of career choice, disciplined preparation, and the acceptance of responsibility in a society that needs and wants our skills. Although a salable skill will not guarantee a meaningful life, it is extremely important in the attainment of self-respect, self-confidence, and independence.

It is not entirely unknown to me that many educators would quarrel with including a salable skill in any list of requirements for becoming truly educated. Some might grudgingly permit a salable skill to be listed but would quarrel with putting it first. However, if we defined a salable skill broadly, from that of the skilled craftsman to that of a very high order of service in one of our professions, perhaps more educators would accept the idea.

Many young people take an unnecessarily hazardous route to adulthood—wandering aimlessly from one thing to another—because they have not taken seriously the fact that economic independence comes from being able to offer professional competence or specialized skills at the place and time they are needed.

The first test of an educated man or woman is to be prepared to do useful and rewarding work. We all need meaningful work to do each day. Whether we are poor, or wealthy beyond the need for any further income, we need a strong involvement in productive experiences to find fulfillment in life. I argue that education for employment is vital to life itself . . . not just to making money . . . for to be without meaningful work is Just not living.

My second question: Have you learned how to learn?

An educated person must keep on learning—must renew his or her basic storehouse of knowledge and keep up with the times. An educated person must be able to gain new knowledge from reading and from life experiences, think critically about what he has read, experienced, and learned, and apply that knowledge to problem-solving. An educated man or woman must be self-teachable—must have learned how to apply learning in a wide variety of situations, sometimes under unusual circumstances and conditions.

Third: Do you have a thirst for knowledge and a hunger for learning?

It is one thing to know how to learn, another to have developed intellectual curiosity—a restlessness to know and to keep knowing. Do you read for the sake of knowing? Is the unfolding drama of each week's events in our Nation and the world attracting your constant attention? Do newspapers, news magazines, new ideas and reports stimulate your thinking? Do you think about the impact today's events will have on the future?

No one can truly be educated in the full sense without a quest to know, a driving and continuing curiosity. This comes from the discipline of learning itself, from long pur-

suit of some significant part of the wisdom recorded in great books through the ages, a knowledge of the world in which we live, and a comprehension of the effect present-day priorities and decisions can have upon the future. We gain this, through study of the liberal arts and the humanities.

Fourth: Can you communicate?

Are you able to say what you think—say it easily and understandably? Can you express your thoughts and ideas in writing so others can understand clearly? Can you listen to others and understand their thoughts? In today's world we must be literate and verbally articulate. There is no greater asset than to be able to listen to others and to be sensitive to the ideas they express and in turn be able to express our own ideas in an understandable way. To express one's thinking and be understood is vital to almost everything. Many of our problems today—individually and worldwide—come from inability to communicate, to be understood in what we write and in what we say. This vital capacity must be included in any list of characteristics of educated people.

My fifth question. Have you developed a clear set of standards and ideals to guide your life and your daily living?

A truly educated person must live by some abiding and personally satisfying principles. A person must be inner-directed, not always looking to the other person to set the tone or call the shot. It is good to be open and teachable and to let one's standards grow with true conviction and conversion to new thoughts and ideas. It is quite another matter, however, to agree with everyone and to lack strength of conviction. A wise man said that "He who trims himself to everybody will soon whittle himself away." We all need a firm rooting in those basic ideals, political views, and principles that we hold. Without it we can never behave like a truly educated person.

Sixth: Have you learned how to disagree without being disagreeable?

Do you respect the views of others? Are you mature enough to hear your cherished views challenged without losing your cool? Have you rid yourself of prejudice? I have known a few Ph.D.s who lacked this emotional maturity. With all of the diversity and pluralism of our free society, we must be understanding and tolerant. To disagree without being disagreeable is perhaps the first test of intellectual maturity.

Seventh: Have you educated your feelings, your spirit, and your inner self?

Have you learned to enjoy fine music, great art, good literature, and the sounds and sights of nature? A quality life calls for quality thoughts and feelings and an appreciation for the fine things around us. A quality life calls for a buoyant spirit, a happy and somewhat optimistic nature. An educated person must have learned how to live the kind of life that brings both serenity and joy to personality. An educated person must be able to find inner peace—to come to terms with life's situation. An educated person, as I see it, must have learned how to live a deep and meaningful life.

Eighth: "Have you educated your ego?"

Are you a restless reacher and climber? I am reminded of the man who said: "Ours is a world where people don't know what they want and are willing to go through hell to get it." Will Rogers once said: "It is great to be great, but it's greater to be human!"

And Edmund Burke tells us:

"To reach the height of our ambition is like trying to reach the rainbow, as we advance it recedes."

You need to have ambition and drive. Your ego needs to seek things. You need a quest. But in all your questing, don't let ambition destroy your ability to live. Get joy and fulfillment. Remember, "It is better to be a nobody who accomplishes something than a somebody who accomplishes nothing." Keep your ego small and your joys, rewards, and fulfillment in life will be larger. Keep a steady perspective in climbing upward in status and position.

Ninth: Are you economically literate?

Many so-called educated persons have never learned that they can't spend more money than they take in. They haven't learned how to avoid personal economic disaster. Our wants are insatiable, and our resources are limited. An educated person knows how to manage money as well as earn it.

It's not so much the amount one earns as it is the difference between what one earns and what one spends that determines economic independence. An educated person has learned the simple lessons of personal money management, how to live within one's means. This may seem a bit mundane, but the practical wisdom of being economically astute is vital to a self-fulfilling life.

The tenth question of an educated person is this: Do you know yourself and can you apply what you know to maintain your physical and mental health . . . can you control your appetites and your passions?

Without good health, all else will seem of little use to you. Protect it. Apply what you know to preserve your health. It is of no avail to be an intellectual giant and a physical slob! Most knowledgeable people know that exercise, proper nutrition, and adequate rest are essential to good health. Most of us know that some drugs and other addictive habits will destroy our health. In the fullest sense, an educated man or woman applies this knowledge to daily living.

What about your mental health? Do you live with reality? Are you positive in your thinking? Is your outlook uplifting and wholesome?

Do you know how to be free and how to enjoy freedom? Some people live as prisoners in a free land because they are slaves to their habits, to their fears, and to a tendency toward paranoia. An educated man or woman copes with life in a positive, productive way.

Education does little for you if it cannot lead you to inner peace and happiness. Many men and women with less than a high school education have taught me that they are better educated than I when it comes to having educated feelings, a great spirit, and what I call a deep inner soul. Knowledge may or may not give you this. It takes true wisdom to know how to live and to get joy and fulfillment out of living. If education is preparation for life, you can't consider yourself educated without this quality of your personality.

Thomas Henry Huxley said: "Perhaps the most valuable result of all education is the ability to make yourself do the thing you have to do, when it ought to be done, whether you like it or not. This is perhaps the first lesson to be learned."

Each of us must be able to answer yes to these 10 questions if he is to continue the process of becoming educated. If we cannot, we are doing a disservice to ourselves and to those who have faith and trust in us, and to this great Nation that has offered much freedom and opportunity for us to develop our skills and capabilities.

If we regard education as a road to be traveled and a pleasant, never ending journey, we will not worry today if we are lacking in some facets of these 10 keys to becoming fully educated. But we should worry if we are not moving in that direction. A wise philosopher wrote: "A bad man is a man who, regardless of how good he is, is declining and becoming less effective; and a good man is a man who, no matter how bad he is, is improving and becoming more effective."

ANOTHER AMERICAN IN YUGOSLAV JAIL?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1976

Mr. McDONALD. Mr. Speaker, incident to the release of Mr. Laszlo Toth from jail in Yugoslavia, it was revealed that yet another American is being held by Tito. The Washington Star article on this matter noted the displeasure of our American Ambassador with the backing he received from our State Department in his efforts to free Mr. Toth. One might say that our State Department is consistent in its foot dragging when it comes to freeing American citizens as anyone knows who has followed the history of our relations with the U.S.S.R. and her East European satellites. Good relations are always held to be more important than representing American interests or citizens. Therefore, I commend to the attention of my colleagues this article from the Washington Star on Sunday, July 25, 1976.

TOTH, FREED, JOINS FAMILY—ANOTHER AMERICAN IN YUGOSLAV JAIL?

THORNTON, COLO.—Laszlo Toth, freed from a Yugoslavian prison due to pressure from the U.S. government, said yesterday a 60-year-old Wisconsin man he met in jail also needs help.

Toth, who arrived in Colorado Friday after serving 11 months of a seven year prison sentence for industrial espionage, said Mike Sedmark of Wisconsin was imprisoned with him in the federal prison, Sremeska Mitrovica.

"If something is not done about him, he will not come out alive," said Toth. "Every day he gets worse and worse."

Although Toth did not know what Sedmark was charged with, but believed he was innocent. He said the elderly man had been imprisoned for 20 months and was becoming desperate.

According to Toth, Sedmark was a former U.S. Army captain with two Purple Heart Awards. Toth credited pressure from U.S. officials for his release and said the same "pushing should be" applied in Sedmark's case.

Earlier, Toth, flanked by the wife and daughter he had not seen in nearly a year, denied the industrial spying charges which led to his imprisonment in his native Yugoslavia.

Toth, 46, said he would expand on his denial and relate his experiences in prison later.

About 25 well-wishers, including several persons from the Great Western Sugar Co. of Colorado, his employer, greeted him late Friday at Stapleton International Airport with cheers and signs as he stepped from his plane with a representative of the U.S. State Department. He had flown from Belgrade to New York and then to Denver.

Toth didn't appear to be upset by his revoked Yugoslav citizenship and expulsion from his native country.

In Belgrade, U.S. Ambassador Laurence H. Silberman accused the East European section of the State Department of being unresponsive to his request for help in getting Toth's release.

"They said I was being undiplomatic for pressing the case as hard as I did," Silberman said after he put Toth on his plane for

the United States. "To these people, diplomacy is apparently the passive pursuit of American interests, and I don't accept that."

COMPUTERS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. HUNGATE. Mr. Speaker, as the Members know, my experience with computers here and elsewhere has been less than rewarding. The following article from the New York Times of July 18, and the Christian Science Monitor of July 15, may offer a spot preview of coming attractions:

[From the New York Times, July 18, 1976]

BANKRUPT BY COMPUTER, FRENCHMAN WINS $300,000

GRENOBLE, FRANCE, July 17.—A fruit and vegetable wholesaler has been awarded $300,000 in damages after being driven to bankruptcy by a bank's computer error.

The computer of the state-owned Crédit Lyonnais persistently rejected Eugene Rochette's checks to his suppliers on the ground of insufficient funds.

The suppliers protested to Mr. Rochette, who found his business, mainly with supermarkets, crumbling. Within weeks he was declared bankrupt.

Last year a lower court granted him $150,000 damages. The bank appealed, and an appeal court doubled the amount.

[From the Christian Science Monitor, July 15, 1976]

WORLD FIGHT ON COMPUTER CRIME

(By Richard M. Harley)

Some Japanese technicians have taken to kissing their computers—not out of affection, but to find an effective way of identifying computer users.

This "lip print" experiment, not by any means perfected for general use, is one example of an international effort to curb a growing number of crimes in which the tool is a computer.

Recently U.S. cases of "computer abuse" (improperly tampering with computers for financial or other gain) have risen from 2 in 1966, to 33 in 1970 and 66 in 1973, according to the Stanford Research Institute.

Statistics show that from 1963 to 1975 losses due to reported computer abuse (and there is no way of telling how many abuses go undetected) come to $65 million. This does not take into account the Los Angeles Equity Funding Insurance fraud of 1973 in which some 64,000 fake insurance policies were produced through company computers, with a reported company loss of $200 million, and $2 billion for stockholders of Equity Funding.

PRACTICAL THINGS TO DO

In his new book, "Crime By Computer," Donn B. Parker points out some practical things the financial community and the public can do to keep computer use honest:

Insure the integrity of employees. "If the EDP [electronic-data processing] personnel cannot be trusted, then forget all the technical methods of computer security. . . ."

Keep computers in safe areas, with limited, selective entry of personnel (although as Price Waterhouse & Co. management consultant G. Hunter Jones says, physical-risk security should not outpace internal controls against errors and manipulation).

Although it may be 5 to 8 years before fully adequate safeguard methods ars developed, companies should demand electronic safeguards and checking devices—even if it means paying more for the computer.

Separation of responsibilities among people in positions of trust, and isolation of library records from the general programming staff, can reduce the opportunities for personal manipulation of data.

Better methods of user identification need to be developed to replace ID cards and account numbers. Some newer concepts ranging from fingerprinting and measuring, to voice identification, to one unusual Japanese-developed concept of "lip printing" in which users must kiss their computer to be identified—have not yet proved to be satisfactory ways of preventing unauthorized use of computers.

Legislation, says Mr. Parker, "would probably be the largest incentive to force the need for secure computer systems." And says Susan Nycum, San Francisco attorney who specializes in the field, laws need to be adapted to apply to cases of computer crime. For example, provisions in many state and federal theft statutes do not recognize "theft" of unwritten information from a computer system as "tangible" enough to prosecute.

Individuals should check the accuracy of figures on computer printouts (bank statements, etc.) to detect both machine errors and intentional crimes. Some of the most subtle and lucrative "computer crimes" have involved deduction of minute sums from large numbers of company or personal bank accounts.

SECURITY NEGLECTED

According to Mr. Parker, the computer systems commercially available today were not designed or built with concern for security as "a significant enough criterion."

Without denying the need to address "computer crime," Robert Courtney of IBM says it is easy to overplay the significance of such crimes at present. "It's my contention that incompetence-caused errors and omissions (which comprise easily more than 50 percent of computer errors), and the damage done by such wrong information, tower over acts committed through malicious intention."

Anticipating some knotty legal problems raised by the issue, Washington attorney Ronald L. Winkler points to the occasional practice of government agencies accumulating computer-stored information about the financial states of private companies.

He wonders if such information could be adequately safeguarded, for instance, from competing companies.

IN SUPPORT OF THE CAPTIVE NATIONS OF EASTERN EUROPE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. VANDER JAGT. Mr. Speaker, I am very proud to join with my many colleagues in the House of Representatives who support independence and freedom for the captive nations of Eastern Europe. It is one of the great tragedies of our day that at the same time the enlightened former colonial powers of Europe have given up their possessions, a new colonial power, the Soviet Union, has taken their place.

All nations of this world deserve the right of self-determination. It is particularly fitting in this year of celebration of the 200th anniversary of our own independence that we should again recommit ourselves to this philosophy. Human freedom demands constant vigilance if it is to survive. The diminishment of the freedom of one individual diminishes the freedom of all human beings. As we love and defend our own freedom, so must we continue to recognize as we do today, the rights of the captive nations of Eastern Europe to enjoy the same conditions of liberty and justice which we ourselves hold so dearly.

LOCAL OFFICIALS OPPOSE POST CARD REGISTRATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. FRENZEL. Mr. Speaker, next week, the House will probably be considering H.R. 11552, the so-called postcard voter registration bill. I would like to bring to my colleagues' attention a memo received from the National Association of County Recorders and Clerks and the National Association of Counties.

NACRC and NAC strongly oppose the postcard bill for the following reasons:

The bills would create dual registration systems, one for Federal elections and one for State and local elections. This situation would create voter confusion and disenfranchise many citizens who will be unaware of the dual registration system.

The dual system would cause administrative problems in the revision of computerized and noncomputerized programs and by extensive testing to insure that files are free from error and fraud.

The bills would interfere with the operation of State and local election machinery and create massive administrative complications.

Although the bills offer financial assistance to help administer the national registration program, there are no assurances that the Congress would appropriate all the money needed in the future. The Federal program could impose substantial costs on local governments.

If a postcard system is enacted, proven methods of successful voter registration at the local level—mobile registration, extended hours, et cetera—would be cut back or terminated since local officials would be hard pressed to justify continued spending on these programs.

The federally mandated system is an unconstitutional infringement on the rights of the various States to conduct elections.

Experience in the few States with postcard registration systems shows no significant increase in voter participation.

There are no assurances that the postcard system would register those who are presently disenfranchised—that is, the illiterate, handicapped, native Americans, et cetera.

Again, there are no assurances that the mass mailing approach would reach all persons living in rural delivery areas.

The bills would create another layer of Federal bureaucracy responsible to an administration seeking to hold-the-line or cut back Federal program.

WHAT IS EXPO '81

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. LLOYD of California. Mr. Speaker, I would like to share with my colleagues the plans and concept behind an event of international significance, and which I am proud to say will take place in Ontario, Calif., within the 35th Congressional District, which I serve.

Expo '81, an international exposition, is being planned to coincide with the 200th birthday of Los Angeles and the last year of America's official Bicentennial celebration. This world's fair would be an exciting cultural, technological, and educational event, and at the same time would provide economic benefits to the western San Bernardino County region which will host Expo '81.

I would like to include in the RECORD a description of Expo '81 which I feel provides an accurate picture of this unique international event:

WHAT IS EXPO '81?

Expo '81 is a non-profit corporation dedicated to bringing a World's Fair—An International Exposition—to the Los Angeles area in 1981. The theme of the exposition will be "PEOPLE TO PEOPLE . . . pathways to understanding."

The idea for an exposition to celebrate Los Angeles' 200th anniversary originated with Kenneth Kahn, Chairman of the Los Angeles County Board of Supervisors. Mr. Richard M. Pittenger was appointed President of Expo '81 with the support of the Board of Supervisors, the City and County of Los Angeles, and the California legislature.

Mr. Pittenger has been working for the past two years with State and local officials and with community minded citizens to mount such an exposition which will commemorate Los Angeles' 200 years of progress and, at the same time, promote the economic welfare, full employment, and long range potential of the greater Los Angeles area.

WHAT IS AN INTERNATIONAL EXPOSITION?

An International Exposition is a gathering of the nations of the world at an agreed site to display their cultural, educational, scientific, political and technological achievements; to become better acquainted with their global neighbors; and to learn and carry back to their native land the latest ideas and achievements of the rest of the world.

Traditionally, International Expositions have advanced the frontiers of knowledge. The Great Exhibition of London in 1851, for example, was held in the Crystal Palace, the first iron-framed building, the first in which the outer walls were reduced to glass curtains and the first in which structural units were prefabricated and shipped to the site for assembly.

The Crystal Palace pioneered the modern skyscraper and set architectural standards for the world for the next 100 years.

The United States Centennial Exposition in Philadelphia in 1876 included the prototype of the modern elevator, and the air-brake. The Giant Corliss steam engine which drove 8,000 machines in Machinery Hall captured the world's market for decades.

Alexander Bell's demonstration of the telephone at the Exposition thrilled the world and created a revolution in human communication.

Expo '81 will continue the tradition of International Expositions to advance the frontiers of human knowledge and understanding.

International Expositions have also served another important objective of the host—economic betterment. Jobs are created, tourism promoted, income generated, and the tax base expanded. Long-term economic benefits include capital improvements on the Exposition site and in new and improved roads, airports, terminals, hotels, etc., with an expanded work force which add to the overall economy of the area. Expo '81 will have such a beneficial impact in the Southern California area.

WHAT IS THE EXPO '81 THEME

The theme of Expo '81 is PEOPLE TO PEOPLE . . . pathways to understanding.

We are living in a world on the threshold of instantaneous global electronic communication. The barriers of time and distance are being swept away and a world of immediacy is being created. No problem, no crises, no happening in any corner of the world escapes notice. A solution to a problem reached in one corner of the world can be immediately known and applied elsewhere.

The potential for universal understanding is at hand People are the resource—communications is the key—together there is the hope and the promise.

Expo '81 can be an international forum for furthering the exchange of ideas and knowledge—PEOPLE TO PEOPLE. . . .

WHY EXPO '81 IN LOS ANGELES

There has not been a universal exposition (Category 1) in the United States since 1939. As 1981 is the concluding year of America's Bicentennial, Expo '81 would provide a most appropriate closing of this national celebration with a universal exposition.

Never before has an international exposition been held in the Los Angeles area. In fact, since the 1932 Olympic Games, no major international event of any kind has taken place here. Los Angeles will be 200 years old in 1981, and what more fitting birthday celebration for the nation's third largest city than a World Exposition! Fresh and exciting, Los Angeles is the entertainment capital of the world, an internationally renowned center of the arts, communication, science, education, and sports. One of the major objectives of the exposition would be to utilize these superb facilities of the greater Los Angeles area to complement the exposition itself, thus providing the visitor with the opportunity to enjoy the greatest possible variety of constructive leisure time activities. Southern California is blessed with perhaps the most hospitable climate of any area in the world. The weather from April to October—the planned duration of the exposition—is ideal. We have superb hotels and restaurants to accommodate the millions of visitors. Los Angeles International Airport is the world's second largest airport in traffic movement, served by more airlines than any city in the world.

WHERE IN SOUTHERN CALIFORNIA

The planned site for the exposition is the Ontario Motor Speedway—a vast amount of acreage on the outskirts of Los Angeles. The location is ideal. In the heart of the Southern California metropolitan area, it is easily accessible by a superb freeway system, three rail lines, and the rapidly expanding Ontario International Airport less than a mile away, which will soon be one of the largest and finest air centers in the United States. The Speedway facility will be transformed into an architectural wonderland of beautiful and imaginative design concepts.

WHO WILL PARTICIPATE

Every nation of the world will be invited by the President of the United States to participate, with an opportunity to showcase the culture, skills, and talents that have helped it achieve its present state of development.

The Expo '81 organizers have applied for registration of the exposition as a general exhibition of the first Category with the Bureau of International Exposition (BIE). BIE is the international organization established by treaty to regulate the staging and administration of expositions to which signatory nations are invited to participate.

Under United States law, official recognition of Expo '81 by the President of the United States is a precondition for final BIE registration. A formal request to the President for Federal Government recognition of Expo '81 will soon be made.

Each of our fifty states will be invited to present its individual accomplishments as well as its role in the history of the Union. Industry will be provided an opportunity to exhibit its latest technological achievements.

WHO WILL BENEFIT?

The staging of an international exposition produces a multiple number of economic, social, and cultural benefits to the host community. Each aspect of the exposition—development, construction, and staging—will directly stimulate the economy. Experience of cities which have hosted prior expositions has shown that the impact to the host city and surrounding communities is substantial. Because of Ontario's ideal location among seven counties of Southern California—Los Angeles, Kern, San Bernardino, Riverside, Orange, San Diego, and Ventura—these counties will be the primary recipients of the benefits derived from employment, receipts, and taxes. The vast area from San Francisco to Las Vegas, Honolulu to Mexico City will realize an enormous amount of increased tourism and economic benefits. Indeed, the entire country will enjoy a tremendously stimulated tourism and trade by the estimated 50 million people who would visit the exposition.

WHAT WILL THE BENEFITS BE?

At the present time, the economic impact of the Fair on the various segments of the Southern California economy is being evaluated by a group of professional economists. Conservative preliminary estimates based on applying the experiences of other recent expositions indicates that an attendance of 50 million would generate between $1.5 billion and $3 billion of retail sales in 1981, in addition to the increase provided by normal growth in the area. Preliminary estimates also indicate that 100,000 jobs would be created of which 40 percent would be in construction and related activities. At this early stage, Expo '81 has the enthusiastic endorsement of: Supervisor Kenneth Kahn (who initiated the idea of an international exposition for Southern California); the Los Angeles County Board of Supervisors; Los Angeles Mayor Tom Bradley; the Los Angeles City Council; California's United States Senators; United States Senators of several western states; many California Congressional Representatives; the California State Senate and Assembly; the San Bernardino County Board of Supervisors; the Mayor, City Council, and Chamber of Commerce of Ontario; the Governors of 12 western states; and the Presidents of more than 125 national corporations.

TENTH CONGRESSIONAL DISTRICT NEWSLETTER FUND

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. MIKVA. Mr. Speaker, the following is a report of the receipts and ex-

penditures of the 10th Congressional District Newsletter Fund:

Tenth Congressional District Newsletter fund report, January 1, 1976–June 30, 1976

Balance: January 1, 1976	$103.87
Receipts: Contribution from Citizens for Mikva	2,200.00
Total Receipts	2,200.00
Expenditures:	
Printing and production	2,037.20
Total expenditures	2,037.20
Balance June 30, 1976	266.67

ENERGY SCAPEGOATS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. MICHEL. Mr. Speaker, an editorial in the July 25 edition of the Peoria Journal-Star points out with devastating clarity the foolishness of the twin congressional proposals to make energy scapegoats out of the oil companies.

Noting that independent studies show that breaking up the oil companies would raise oil prices, result in the loss of hundreds of thousands of jobs and severely damage the U.S. gross national product, the editorial concluded that the proposal would help nobody.

Moving to the other proposal, to ban oil companies from involving themselves in other energy forms, editor C. L. Dancey notes, correctly, that this is precisely the opposite from what should be done. Instead, we should be demanding that they turn their immense resources to the task of solving our energy needs in the post-petroleum era which will soon be upon us.

Dancey's reasoning is sound on both counts and I would like to bring it to my colleagues attention by having the editorial printed here in the RECORD:

[From the Peoria (Ill.) Journal-Star, July 25, 1976]

THE KAMIKAZE CONGRESS

(By C. L. Dancey)

The "scapegoat" has its origins in Biblical times and has since come to apply to a process of ceremonially attaching ills or bad luck or sins to a goat and then driving it out into the wilderness.

That ancient instinct to resolve a problem by arbitrarily putting the blame on some "goat" and punishing the goat is about the only explanation one can make for the approach of the present liberal Congress to the energy problem.

Their answer: soak the oil companies.

Finding no guilt under all the existing laws, Congress has just decided to pass a new law, arbitrarily, to "break up" the "Big Oil Companies." And is pushing another to forbid them from dabbling in any other energy field besides oil.

It makes no sense except as a superstitious purge.

Congress didn't believe studies by oil experts on the actual results of dismemberment of the companies, so they had their own research service do a study.

It used different methods entirely.

But it ended up with the same shocking figure results, in fact.

It would damage the real "gross national product" of the United States severely—not less than $64 billion in seven years, and possibly as much as $134 billion!

It would, in chain reaction, produce not less than 300,000 unemployed and perhaps as many as 700,000 more unemployed.

It would help nobody.

The blind prejudices or notions aside, all studies including Congress' own detailed, factual studies produce this disastrous result.

All they have to do is look around at other countries, such as Japan, where they are trying to get their oil companies to combine in order to increase employment, hold down price and increase their gross national product. They say they can't compete with our efficiency.

Yet, here is the Congress of the United States, propelled only by blind reaction to the unpleasant aspects of an energy crisis, proposing to destroy the most efficient and cheapest system in the world.

These are the same people who say they are for "full employment" and policies which create jobs! Yet, by their own detail studies, they find their project would destroy from 300,000 to three-quarters of a million U.S. jobs.

We can understand that here in Peoria. It is perfectly obvious that similar legislation, executed under bureaucratic controls and regulations and administrative orders would be a disaster if applied to our largest employer . . . and if world-wide activities were thus cut off, wipe out at least half the jobs.

The other "punish oil companies" proposition is even more obviously "cutting off our nose to spite our face." That is Ted participation of oil companies in any other form of energy activity, development, or research.

The mere threat of that law has been a serious blow to the crying need of this country for research and experimentation in developing new sources of energy.

Who can invest huge sums in oil shale experiments and others, for example, when threatened with legal sanctions if they succeed?

The oil companies have the greatest incentive to stay alive when oil runs out. They have the greatest know-how. They have the in place organizations with the capacity to finance development.

What we have a right to ask of them is: "What are you doing to develop alternate sources of energy for our country?"

Instead, Kennedy's bill would tell them: "Don't you dare work on our energy problem!"

If they don't solve it and are forbidden to, who will?

A Senate committee? Or the bureaucracy?

And who will finance it?

These "scapegoat" approaches of pure prejudice and populist superstition simply ignore the researched facts of the matter, and resulting laws would by all the evidence accomplish nothing except to cripple our employment needs, depress the national economy, and *raise the prices in the bargain.*

Even the study launched with the clear intention of proving the opposite, when they worked with the facts, came to that inescapable conclusion.

In the face of that study, those who vote for such kamikaze actions will have no excuse, and will have to be remembered and called to account for the end results if such an abomination is visited upon us.

In a time of crisis to destroy your best defense out of blind petulance is pretty stupid.

But we have a mighty bloc in Congress proposing just that!

If our senators Stevenson and Percy join them, we have the same obligation to observe the results and remember who was responsible for those consequences.

SOCIAL SECURITY ERRORS AFFECT PAYMENT RIGHTS OF MILLIONS OF BENEFICIARIES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. VANIK. Mr. Speaker, during the past year, the Ways and Means Oversight Subcommittee has held eight hearings on the administration by Social Security of the supplemental security income program for the aged, blind, and disabled. These hearings have been held because of our deep concern about the level of errors in that program—errors affecting about one in every four cases and causing every $1 in $10 to be erroneously spent.

In the hearings, testimony was received that the quality of all social security programs had deteriorated since 1974 because of the disruptions and exceptional work burdens placed on Social Security by the SSI program. In an effort to determine whether other, more established social security programs had been adversely affected by the imposition of the SSI programs, I wrote to Social Security Commissioner Cardwell on May 26 requesting data on error rates in title II—retirement and survivors insurance—similar to the error rate information on SSI which he has provided to the Oversight Subcommittee.

I have just received the following letter from Commissioner Cardwell which indicates that between 1970 and 1974, the first year of the SSI program, retirement and survivors insurance case error rates increased from 4.5 percent to 7.9 percent, meaning that nearly 1 in every 12 social security beneficiaries was receiving an incorrect social security retirement or survivors benefit. At one time during 1974, the error rate rose to 9.8 percent or almost 1 in every 10 cases. Since 1974, there has been a slight increase in the title II accuracy rate. The level of errors is still too high, however, and involves approximately millions of Americans and hundreds of millions of dollars in either improperly high or improperly low payments on one or more occasions.

Social Security reports that many of these payment errors are "one-time" in nature and are soon corrected. For example, in 1975, Social Security believes that 1.7 percent of its cases had a continuing overpayment, while 2.2 percent had a continuing underpayment for a total of 3.9 percent of the cases receiving erroneous payments in 1 or more months. In 1975, noncontinuing erroneous cases —such as cases in which a lump-sum payment is made erroneously—approximated 3.6 percent.

To provide some idea of the magnitude of the dollars involved in these errors, if

one projects the average monthly continuing overpayment of $19 per month times 1.7 percent of all retirement and survivors cases, the yearly overpayment amounts to $108.5 million. Of even more interest to Social Security beneficiaries, assuming a $19 average figure for underpayments, some 616,000 individuals and families lost $140 million on an annual basis because of continuing underpayments in 1975.

These errors demonstrate the need for individuals to keep careful earnings records and to double check the computations involved in determining their benefit levels.

The Commissioner does not explain why there was a significant increase in error rates in 1974:

These Title II data do show that operational effectiveness in making accurate payments has decreased somewhat since the advent of the SSI program. We cannot, however, determine how much of this change may have been due to the operational impact of SSI on the Title II program and how much may have been due to unrelated factors. We think it is safe to assume, however, that SSI definitely influenced the rates. An intensive quality improvement effort is underway in both the SSI and the Title II programs, and we are confident that an improvement in the correct payment rates for all programs will be achieved.

Programs involving people in a multitude of social situations can never be perfectly error free; they are not like scientific programs which can compute perfectly a mathematical problem or send a machine to Mars. There will always be errors; the question is, is the level of error "acceptable." I believe it is important to restore the basic social security retirement program to at least its pre-SSI accuracy levels.

In addition, I believe that our experience with the confused administration of SSI should warn us against adding any major new missions to the workload at Social Security unless there is the most careful preparation. And long lead-time. Social Security does a big job, and it does it well. Major disruptions—such as a possible federalization of all welfare programs or a national health insurance program—can only detract enormous managerial attention and district office manpower away from Social Security's principal goal—providing for the retirement security of American workers.

The Commissioner's letter follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Baltimore, Md., July 20, 1976.

Hon. CHARLES A. VANIK,
Chairman, Subcommittee on Oversight, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In your letter of May 26 you requested that we provide you with rates for incorrect payments under the title II program similar to those previously provided for the title XVI Supplemental Security Income (SSI) program.

As you know, the title XVI quality assurance data on incorrect payments is derived from an indepth examination of a statistically valid sample of SSI cases, in which quality assurance interviews are conducted with SSI recipients and a variety of independent checks are made on income, living arrangements, and resources of those recipients. This type of arrangement is necessary in a program such as SSI, where minor changes in income, resources, or domiciliary status can affect the correct amount of the SSI payment on a month-to-month basis.

We operate a variety of quality assurance and payment measurement systems in our title II programs, but none of these is directly comparable to the title XVI system.

The primary system used in title II is one which measures the accuracy of adjudicative actions taken on new claims, and on subsequent claims which require some type of adjudicative decision as to eligibility and/or payment amount. This system, while not directly analogous to the SSI system, does provide data that can be used for very rough comparative purposes.

Before going into specifics about the data provided by this title II system, it would be useful to indicate the reasons why the title II and title XVI quality assurance systems are fundamentally different. Basically, the difference in systems is directly tied to the very different nature of the programs. In title II, aside from the question of whether or not a person is disabled, eligibility and the amount of benefit payment are generally based on the age of an individual, his or her marital status, and the individual's earnings record maintained over the years by the Social Security Administration (SSA). Unlike title XVI, there is much more limited opportunity for error in determining eligibility or initial monthly benefit amounts. In addition, with the exception of the application of the retirement test and certain work tests associated with the disability program, ongoing title II benefit payments are generally not affected by changes in an individual's earnings, resources, or living arrangements as they are in title XVI. Thus, many of the factors which are capable of producing frequent changes in the correct amount of a title XVI payment are not generally present in title II. The quality control systems in each of the programs are therefore designed around the potential error causes and characteristics of the program.

While the earnings of a beneficiary can affect title II payments (though to a much lesser degree than title XVI), the incorrect payments which may result are generally of a temporary or adjustable nature. Benefits paid during a year based on estimated yearly earnings or months in which no work is performed are adjusted, if necessary, when actual earnings are reported after the end of the year. There is a built-in "retirement test" enforcement program in title II which compares earnings reported by the beneficiaries with earnings that employers and the self-employed report to the Internal Revenue Service. This is done on a continuing and routine basis. Any discrepancies are checked out and appropriate adjustments made to ongoing benefits in order to recoup overpayments or compensate for underpayments.

As mentioned above, the title II quality assurance system which provides incorrect payment information most comparable to title XVI data is the system operated in the Retirement and Survivors Insurance (RSI) program to measure payment-related inaccuracies in new claims and subsequent claims. The system divides incorrect payments into two basic categories:

Continuing Overpayments or Underpayments—These are inaccurate payments which are introduced into the beneficiary rolls and which could continue unless detected by one of our enforcement programs (e.g., the retirement test monitoring program noted above) or by review of the benefit amount when some subsequent action affecting the benefit is processed. Data on these continuing incorrect payments can be very roughly equated with the title XVI data.

Noncontinuing Overpayments and Underpayments—These are incorrect payments which are "one-time" in nature. They do not result in a continuing series of incorrect payments. An example of a noncontinuing payment error would be the incorrect calculation of a retroactive payment made when an individual retires. While the lump-sum retroactive payment might be incorrect, this error would not affect the amount or correctness of the ongoing monthly benefit payment. Incorrect payments of this type are not comparable to title XVI data, which almost entirely reflect incorrect amounts that are continuous until detected and corrected.

Calendar year 1975 data from this system are as follows:

Percent of RSI cases containing payment-related inaccuracies

[In percent]

Type	Over payments	Under-payments	Total
Continuing	1.7	2.2	3.9
Noncontinuing	2.0	1.6	3.6

While the total calendar 1975 inaccuracy rate is 7.5 percent, the continuing incorrect payment rate—the measure most comparable to the SSI inaccuracy rates—is 3.9 percent, of which 1.7 percent represents continuing overpayments. Breaking down the 1.7 percent continuing overpayment figure, we know that about one-third of these overpayments were related to work under the retirement test. This type of overpayment is classified as continuing for the year in which the claim is filed, although adjustment will occur in the subsequent year as a result of the retirement test enforcement program.

The remaining 1.2 percent of continuing overpayments are due to computational and entitlement factors, which in many regards parallel similar factors in title XVI. The average dollar amount by which the monthly benefit was affected in these cases was $19. While overpayments of his type will continue unless detected, many are in fact detected and corrected routinely when an individual's benefit is recomputed because of additional work or other causes. In 1975 an average of 260,000 benefit accounts per month were subject to recalculation based on work history.

The same factors which operate to correct overpayments, of course, also operate to detect and correct underpayments.

Title II retirement and survivors insurance data similar to the 1975 data shown above are available for the period 1970–1976. A graph displaying these data is enclosed. (Due to changes in quality assurance methodology made in 1974, it is not possible to differentiate in the pre-1975 data between continuing and noncontinuing inaccuracies, etc., as was done for 1975.) These title II data do show that operational effectiveness in making accurate payments has decreased somewhat since the advent of the SSI program. We cannot, however, determine how much of this change may have been due to the operational impact of SSI on the title II program and how much may have been due to unrelated factors. We think it is safe to assume, however, that SSI definitely influenced the rates.

An intensive quality improvement effort is underway in both the SSI and the title II programs, and we are confident that an improvement in the correct payment rates for all programs will be achieved.

If we can be of further assistance, please let me know.

Sincerely your,

JAMES B. CARDWELL,
Commissioner of Social Security.

FINANCIAL DISCLOSURE STATEMENT OF BENJAMIN A. GILMAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. GILMAN. Mr. Speaker, while full public disclosure by Members of Congress of their finances is not required by law, in recognition of the public confidence entrusted to me in public office and in the interest of making full financial disclosure, I am submitting for publication the following data concerning my personal assets and liabilities for 1974 and 1975:

FINANCIAL STATEMENT

1. My sources of income, apart from my Congressional salary: $616.04 [1] from the "26th Club," an account for unrestricted nonpolitical contributions for the reimbursement of travel expenses beyond those officially allowed by the Congress. (Received in 1974)

2. The identity of my creditors for all unsecured indebtedness: Empire National Bank, Middletown, New York.

3. The sources of all reimbursements for expenditures other than from the United States Government: $616.04 (in 1974) from the 26th Club for transportation (Previously noted in item No. 1).

4. Identity of all stocks, bonds and other securities owned outright or beneficially:

(a) Mortgagee on Hare Premises and Diakopolos Premises in the City of Middletown, New York, and a land installment contract by J. & R. Hern for premises in Middletown, New York.

(b) Held in trust for my children are the following:

(1) 25 shares of Equitable Gas Company.

(2) 1 share Long Island Lighting Company.

In this account there were also transactions involving short-term commercial papers:

(1) General Acceptance Corporation Commercial Paper.

(2) Chase Manhattan Commercial Paper.

(3) Sears Roebuck Acceptance Paper.

(4) Textron Commercial Paper.

(5) Ford Motor Company Commercial Paper.

(6) General Electric Commercial Paper.

(7) Westinghouse Credit Corporation Commercial Paper.

(8) American Express Commercial Paper.

(9) National Gas Pipeline Commercial Paper.

(10) Mississippi Power and Light Commercial Paper.

(11) Union Oil of California Commercial Paper.

5. Identity of all business entities and foundations in which a position is maintained as a director, officer, partner, or in which service is performed in an advisory or managerial capacity,:

I am on leave from the law firm of Gilman & Goldstein, of Middleton, New York. I have not practiced law since becoming a Member of Congress in 1972, and I do not receive any income from that firm. My wife, Jane Prizant Gilman, continues to be an active practicing partner in that firm.

6. In 1974, my total income tax liability was $9,656 of which $1,092 was paid to the State of New York. Federal taxes in the amount of $11,870 were withheld, including an overpayment of $3,306, leaving a net Federal tax payment of $6,564. Of my total adjusted income of $39,030 in 1974, 24.7 per cent was paid in State and Federal taxes. Additionally, during 1974, I incurred expenses incidental to my office in the total amount of $23,376 or which only $13,088 was reimbursed.

7. In 1975, my total income tax liability was $10,471 of which $1,272 was paid to the State of New York. Federal taxes in the amount of $11,728 were withheld, including an overpayment of $2,529, leaving a net Federal tax payment of $9,199. Of my adjusted gross income of $44,423 in 1975, 23.57 per cent was paid in State and Federal taxes. Additionally, during 1975 I incurred expenses incidental to my office in the total amount of $23,411 of which only $12,105 was reimbursed.

Mr. Speaker, in addition to this data, I would add that although I made more than 40 trips to the 26th Congressional District in New York during 1974 and 41 trips to my district in 1975 and appeared before more than 300 groups, I received no honorariums.

[1] Income of the 26th Club was included in my report of gross income for tax purposes with offsetting business expense deductions.

DOUBTS ABOUT FLU CAMPAIGN

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. HUNGATE. Mr. Speaker, the following article from the July 27, 1976, Christian Science Monitor provides a complete analysis of the major obstacles facing the swine flu vaccination program. Since this issue has yet to be resolved, my colleagues may find the following useful:

DOUBTS ABOUT FLU CAMPAIGN

The nationwide flu vaccination campaign endorsed by President Ford is encountering such difficulty and criticism that one wonders about the wisdom of pursuing it further.

For example, insurance companies have balked at covering vaccine producers because of the unknown risks of damage suits that could arise from a national immunization program. Two of the four vaccines being produced have been labeled unacceptable for military use, which casts doubt on their civilian acceptability as well.

Then, too, preliminary tests have indicated some vaccines are satisfactory for use by a majority of adults but are not acceptable for children. And for persons 18 through 24, the government already has recommended that only two types be used. All of which give such uncertainty to the program as a whole that it does little to inspire confidence among potential recipients.

Some now say the threat of swine flu was exaggerated. And there are respected experts who claim nationwide inoculations are not advisable. Among these is vaccine pioneer Albert Sabin, who recommended that the program should be abandoned, except in special cases.

A number of European authorities also question the idea of mass shots for Americans without further evidence of need. And in the months since the localized outbreak at Fort Dix, New Jersey, that sparked the original concern, not a single case of swine flu has been observed. The epidemic in Australia turned out to be something else, and medical opinion there was divided about the efficacy of vaccination.

It is right that the government should be concerned about protecting its citizens in the face of clear health hazards. But, in view of the many questions raised about the current flu campaign, President Ford would be wise to reassess whether or not inoculation on a nationwide scale is actually merited.

TRANSFER OF OWNERSHIP OF FORT GIBSON AND TENKILLER RESERVOIRS

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. RISENHOOVER. Mr. Speaker, I am today introducing legislation to transfer ownership of Fort Gibson and Tenkiller Reservoirs from the U.S. Army Corps of Engineers to the State of Oklahoma.

It is my belief that the State and local governments are best able to manage their own resources—and these bills are in keeping with that philosophy.

In my view, a majority of people in the area favor State ownership of these two beautiful lakes which also are invaluable water, power, and recreational resources.

The corps recently implemented Lake Shore management plans on their lakes in Oklahoma which proved generally unpopular to the people. Opponents would attend public hearings to protest—but they felt their pleas fell on deaf and indifferent ears. The people feel that State and local government are within their reach and control.

These bills preserve the use of the lakes' waters to the 17 counties of the second congressional district—largely rural areas. I purposely omitted urban Tulsa county because, I feel, it should look to Lake Keystone for its municipal and industrial water supply.

Lake Keystone and the waters of the Arkansas River, unfortunately, are now unusual because of natural salt pollution. I have introduced legislation fully authorizing a chloride control program on the Red and Arkansas Rivers.

Tulsa and our Nation must press for a clean-up of the Arkansas River, which is a source of pollution affecting waters downstream into the Mississippi and even the Gulf.

With the Arkansas River relieved of pollution, then Keystone would be a vast water resource for Tulsa, Creek, and Osage counties. There would be no need to build expensive pipelines to tap the lake waters of eastern Oklahoma.

With desalted water continuing down the Arkansas River, Muskogee, Sallisaw, and Arkansas towns to Memphis would be directly benefitted. The Mississippi River would be improved and, I am told, even the shrimp in the Gulf would benefit.

Western Oklahoma certainly needs more water. The average daily flow down the Arkansas is 31,300 cubic feet per second as the river crosses the Oklahoma border. Arkansas is legally entitled to only 12,520 cubic feet per second. That means that 60 percent of the present flow across the stateline is identifiable surplus water.

There is no reason that this water—cleansed of the salt—could not be piped westward to the rich wheat and cattle lands of the western parts of Oklahoma and the sister States west.

The potential increase in economic benefits from one wheat crop could well justify the cost of the chloride control

project. We need to clean up the Arkansas River.

But, now, I add the advisability of transferring ownership of Fort Gibson and Tenkiller reservoirs.

I provide that the power would be restricted to sale in Oklahoma. The effective, far-sighted management of the Grand River Dam Authority should manage the power.

I have pointed out the people of Oklahoma that the cost of managing Fort Gibson and Tenkiller is:

Fort Gibson: $1,280,000 annually.

Tenkiller: $940,000 annually.

However, sales of water and power would certainly cut into these expenses.

Additionally, I have informed the public, there is $350,000 in the Fort Gibson budget for advanced engineering and design of two new generators. The State of Oklahoma, through the Grand River Dam Authority, should be prepared to move swiftly completing that expansion.

Another important factor are the employees of the corps who now work at the Lakes. My bills provide the State of Oklahoma will preserve their jobs and not reduce their benefits.

Finally, the bills provide that public use areas will be preserved for the people. The State of Oklahoma must be prepared to fully utilize these recreational areas through its parks department. I believe that Lt. Gov. George Nigh, his commission, and Parks Director Chris Delaporte are highly competent and able to provide the leadership and management which will greatly enhance recreational resources of these two lakes.

Mr. Speaker, there is great need for stronger local control of our resources and for the improvement of our water and power opportunities. I believe these bills offer that power.

The problems of water supply to maintain the 9-foot channel on the McClelland-Kerr Waterway can be resolved because the State of Oklahoma has a strong vested interest in maintaining and improving navigation opportunities.

The leadership within the State will go the last mile to see that the corps has full imput into the management of these lakes under State ownership.

Certainly, there are conflicts in any project which has multiple purposes, such as exist regarding these lakes. When recreation, flood control, power, municipal water supplies, industrial water supplies and reserves for navigation are involved—we know the problem is complex.

But the conflicts can be resolved within the context of these bills and I urge my colleagues to move with me to see that they become the law of the land. Thank you.

RECORD AUTO INDUSTRY PROFITS UNDERMINE THE DINGELL-BROYHILL AMENDMENT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. BROWN of California. Mr. Speaker, next week when the House considers the Clean Air Act amendments, H.R. 10498, a major policy decision will be made in respect to automobile emissions. The existing law, which has been changed in the past by the Congress, calls for a fairly stringent timetable for meeting automobile emission standards. The proposed committee bill pushes those timetables back, not because the scientific evidence supports such delays, but simply because the political pressures on the committee demanded a compromise between what the auto industry wanted, the Dingell-Broyhill amendment, and what most public health officials wanted, the Waxman-Maguire amendment.

The compelling argument from the automobile industry was not fuel economy, although this red herring issue was raised, nor was it air quality, although the automobile industry still tries to convince us that automobile pollution is not harmful. The compelling argument was economics, with jobs being the main concern of the Members who voted for delays.

It is for this reason that the current economic status of the automobile industry is relevant to the debate over the automobile emission standards proposed in H.R. 10498. The headlines from the papers tell the story: "GM's $909 Million Sets Profit Record." "Ford Sets Record, Earns $442 Million." The economic argument is no longer valid, if it ever was. With this point in mind, I urge all Members to consider the auto emission issue on its scientific merits, and urge the adoption of the Waxman-Maguire amendment, which, while postponing the existing standards, does not cave in to the industry pressures. I wish to insert several articles on auto industry profits at this time:

[From the Washington Post, July 29, 1976]

GM'S $909 MILLION SETS PROFIT RECORD: BUT TOTAL FAILS TO MATCH EXPECTATIONS OF ANALYSTS

From News Dispatches

Riding the crest of a sensational auto industry resurgence, General Motors Corp. yesterday said it earned a record $909 million in the second quarter, the most ever by an industrial manufacturer.

GM's net profits for the April–June period were up 173 percent from a sluggish $333 million the year before, and topped its previous quarterly record of $817 million, set in the first quarter of 1973.

The auto giant's performance also topped the $862 million earned in the last three months of 1974 by Exxon Corp., which previously held the quarterly profit record for a manufacturer.

According to financial analysts, the most money ever earned by a corporation in a single quarter was $940 million by American Telephone & Telegraph Co. in the second quarter of this year.

The auto company's profits fell short of the $935 million to $950 million predicted by Wall Street analysts.

GM also reported record dollar sales of $12.5 billion for the quarter, up 35 percent from $9.3 billion in the same year-ago period.

Worldwide factory sales of 2,366,000 rose 32 percent from the year before but were just short of the record 2,392,000 set in 1973.

GM which saw its sales and profits tumble during the first half of last year due to a severe industry recession was the second auto maker to report a return to record income and sales.

Chrysler Corp., which lost a record $260 million last year, reported that its second-quarter profits soared to $155.1 million, highest in the firm's history.

Ford Motor Co., which releases its quarterly results on Thursday, also is expected to report record profits of about $400 million.

The combined effects of the Mideast oil embargo in 1974 and last year's recession sent the industry into its deepest and longest slump in four decades. Since last fall, however, the auto makers have staged a dramatic turnaround that has outstripped the most optimistic forecasts.

"The pace of economic recovery in the United States—spearheaded by the automotive industry—continued at a sustainable rate," GM chairman Thomas Murphy and president Elliott Estes said yesterday.

"Gains were seen in real personal income and employment, the inflation rate was generally stable and consumer confidence remained firm," they said.

Despite the firm's strong showing, the two executives cautioned that, "When adjusted for inflation, current earnings are below those of past years."

They defended the high level of earnings are necessary to finance a five-year, $5 billion spending program launched last year to redesign the company's fleet of cars to make them smaller, lighter and more fuel efficient.

"Earnings must be improved further to provide the capital needed in the business and the dividends which must be paid . . . if our corporation is to remain strong," Murphy and Estes said.

For the first half of 1976, GM had net income of $1.71 billion on sales of $23.9 billion, both records. In the first six months of last year, the firm had profits of $392 million on sales of $16.9 billion.

[From the Washington Post, July 30, 1976]

FORD SETS RECORD, EARNS $442 MILLION

Ford Motor Co.'s net profit in the second quarter jumped to an all-time high of $442 million ($4.70 a share), more than four times its depressed results the year before, Ford said yesterday.

Ford became the third auto maker this week to report a record-shattering earnings performance for the April-June period.

Together, Ford, General Motors Corp., and Chrysler Corp. earned more than $1.5 billion for the first time in history.

The industry's current resurgence compares. with plummeting profits a year ago, when the recession-ridden auto makers saw their earnings fall to a 20-year low.

Ford's latest earnings were well above the $385 million to $432 million anticipated by Wall Street analysts and compared with an anemic $107 million ($1.13) earned in the same 1975 span.

Ford said worldwide dollar sales of $8 billion in the quarter also shattered its record, rising 27 per cent over $6.3 billion in the second quarter of 1975.

The previous quarterly profit record for the world's No. 2 auto producer was $394 million in the spring period of 1973, when the industry was in the middle of its last boom.

Earlier this week, GM reported its second-quarter earnings soared to $909 million ($3.16 a share), the most money ever made in one three-month period by an industrial corporation, while Chrysler posted record profits of $155 million ($2.58). A year ago, GM earned $333 million ($1.14); Chrysler lost $58.7 million.

Small-car specialist American Motors Corps., the only auto maker failing to share in the industry's dramatic sales rebound and return to prosperity, reported a $3.9 million loss for the quarter due to a worsening sales slump.

Even so, combined industry earnings in the quarter rose to a record $1.5 billion, topping the previous record of $1.3 billion set in both the first and second quarters of 1973.

By contrast, the industry reported aggregate earnings of $392 million for the second quarter of 1975, its poorest performance in more than 20 years.

Aggregate sales in the quarter also set a new mark at $25 billion, compared with $19 billion a year ago.

For the first six months of the year, Ford reported net profits of $770 million ($8.19) on sales of $15.4 billion. A year ago, the firm had first-half earnings of $96.5 million on sales of $11.1 billion.

Aggregate industry earnings for the six months hit an all-time high of $2.7 billion, topping the previous record of $2.6 billion in 1973. Combined industry profits in the first half of last year were $298 million.

Despite Ford's record profits, which were reduced by $17 million due to an accounting change, chairman Henry Ford II said net earnings on each dollar of sales remained relatively low at 5.7 cents.

"Although net income and dollar sales were records for any quarter, the company's after-tax return on sales was exceeded in about a third of the quarters since 1956," when Ford first went public, he said. The company earned 1.7 cents on each dollar of sales a year ago.

The Ford chief executive also attributed the firm's sharp profit rise to higher unit volumes and effective cost-reduction programs.

Analysts said strong recoveries in overseas markets—where Ford is traditionally strong—and a dramatic sales resurgence of higher-profit big cars also contributed to the company's income gains.

Unit sales of Ford vehicles in the United States and Canada during the quarter totaled 1.08 million compared with 831,000 the year before. Overseas sales of 460,000 units were up from 405,000.

For the first six months of this year. Ford had world-wide vehicle sales of 3 millions compared with 2.2 million last year. North American sales were 2.05 million, up from 1.44 million a year ago. Overseas sales totaled 950,000, compared with 786,000 last year.

[From the Los Angeles Times, July 29, 1976]

GM Earns Most Ever for an Industrial Firm: Record Earnings Bring Call for Big Wage Gain

Detroit.—General Motors Corp., riding the crest of an auto industry resurgence, said Wednesday it earned a record $909 million in the second quarter, the most ever by an industrial manufacturer.

GM's net profits for the April-June period were up 173% from a sluggish $333 million the year before, and topped its previous quarterly record of $817 million, set in the first quarter of 1973.

The auto giant's performance also topped the $862 million earned in the last three months of 1974 by Exxon Corp., which previously held the quarterly profit record for a manufacturer.

The auto company's profits, however, fell short of the $935 million to $950 million predicted by Wall Street analysts.

According to financial analysts, the most money ever earned by a corporation in a single quarter was $940 million by American Telephone & Telegraph Co. in the second quarter of this year.

GM also reported record dollar sales of $12.5 billion for the quarter, up 35% from $9.3 billion in the same year-ago period.

Worldwide factory sales of 2,366,000 motor vehicles rose 32% from the year before, but were just short of the record 2,392,000 set in 1973.

(Leaders of the United Auto Workers, who currently are negotiating with all the auto companies for a new contract, immediately staked claim Wednesday to a share of the record GM profits.)

(UAW President Leonard Woodcock said the "incredibly hefty profit gains" indicate the union should make significant gains in wages, benefits and job security for the 680,000 members.)

Analysts attributed GM's high profits to higher unit sales industrywide, an increase in the company's market share, a strong comeback in sales of high-profit large cars, moderating cost increases combined with effective cost-cutting controls and a recovery in overseas markets that is paralleling the turnaround in the United States.

GM's per share earnings in the quarter were $3.16, compared with $1.14 a year ago and the previous record of $2.84 set in the first quarter of 1973. Profits as a percentage of sales were 7.3%—double that of a year ago, but down from 8.3% in 1973.

Unit car and truck sales in the United States during the quarter were 1.71 million, compared with 1.24 million a year ago and 1.79 million in 1973.

For the first half, GM reported worldwide vehicle sales of 4.49 million units, compared with 3.16 million last year. U.S. sales of 3.25 million were up from 2.18 million, while sales outside the United States rose to 1.23 million, compared with 981,000.

Chrysler Corp., which lost a record $260 million last year, reported its profits in the second quarter soared to $155.1 million, highest in the firm's history.

Ford Motor Co., which releases its quarterly results today, also is expected to report record profits of about $400 million.

[From the Wall Street Journal, July 30, 1976]

Ford Motor Says Net Quadrupled In Second Period; Record $441.9 Million Profit Came On 27 Percent Sales Boost, Was Above Estimates

(By William M. Bulkeley)

Dearborn, Mich.—Ford Motor Co.'s second quarter net income soared to a record $441.9 million, or $4.70 a share, more than four times the earnings of the depressed year-earlier period.

Although record results were expected at the No. 2 auto maker, actual earnings exceeded analysts' estimates. Earlier this week, both General Motors Corp. and Chrysler Corp. reported record second quarter results.

In 1975's second quarter, when the industry was just beginning to recover from the impact of the recession, Ford earned $107.1 million, or $1.15 a share. Sales in this year's second quarter rose 27% to $7.99 billion, also a record, from $6.28 billion.

For the half, Ford's net income rose to a record $770 million, or $8.19 a share, from operating income of $1.3 million, or two cents a share, a year before, when earnings were held down by a big loss in 1975's first period. The 1975 first half figure excludes a special credit of $95.2 million, from an accounting change, which brought the period's net to $96.5 million, or $1.04 a share. Sales in the six months rose 36% to $15.42 billion from $11.37 billion.

STRENGTH OF RECOVERY

Ford's earnings performance reemphasized the strength of the current recovery in auto industry sales and production both in the U.S. and overseas. The first half was the best for auto sales and production since 1973 in the U.S., and the domestic auto makers' earnings reflected that strength.

Ford said that its bread-and-butter U.S. car operations, which recently have been a problem, contributed a substantially larger portion of profits in the second quarter than they had earlier. In 1975's first half, Ford said its U.S. auto operations had losses equal to $250 a car, or had an indicated loss of $313 million. And earlier this year at Ford's annual meeting, Chairman Henry Ford II complained that the operations, though again profitable, still weren't "as strong as they should be."

Ford declined to disclose the contribution its U.S. operations made to profit in the 1976 second quarter. It said its overseas operations accounted for 28% of the company's sales and the same percentage of profit. That contrasts with this year's first quarter, when foreign operations represented 31% of sales and 42% of profit. Ford also has several domestic nonautomotive operations, such as a finance company and an aeronautical parts concern.

WORLD-WIDE VOLUME

Although dollar sales broke records in the second quarter, Ford's unit volume of 1,539,405 vehicles world-wide trailed the 1,659,000 vehicles sold in the 1973 record year. World-wide sales rose 23% from the 1975 second quarter. In the U.S. factory sales of 681,824 cars were the third best ever and climbed 26% from 1975. The improvement in dollar sales, in the face of the drop in volume, reflects hefty price increases that Ford has put through on its vehicles over the past three years.

Uncharacteristically, Ford executives issued their earnings report with little commentary. They noted that Ford's profit margin was 5.7% in the second quarter, up sharply from 1.8% the year before. But, they said the margin "was exceeded in about a third of the quarters since 1956."

Auto makers have been playing down the strength of their earnings for the second quarter, apparently with an eye on current labor negotiations. Many observers expect that the United Auto Workers union will try to set the pattern at Ford for a new national auto workers contract when the current one expires in September.

Not surprisingly, UAW Vice President Ken Bannon, who is in charge of the union's negotiations with Ford, tied the Ford earnings to its ability to pay workers the "substantial wage increases" and other benefits the UAW is seeking. "Our demands can be granted in a noninflationary settlement, based on Ford's immense profitability, while at the same time allowing the company to keep the price of its products down and still make sizable sums for its investors," he said.

Barring a lengthy strike, analysts expect Ford's earnings for all 1976 to set a record of more than $12 a share, easily surpassing 1973's record $906.5 million, or $9.13 a share.

Earnings estimates for the current quarter are hard to pin down, analysts say, because it is difficult to account for the effects of numerous tooling changes and the vagaries of starting production of new models. One analyst says Ford's earnings could be between $1 and $2 a share in the quarter, up sharply from $56.3 million, or 60 cents a share, last year.

Chrysler and GM also are expected to show earnings improvements for all 1976. In the third quarter, GM, with extensive model changeover, is expected by some analysts to earn between 90 cents and $1.10 a share, up from 84 cents last year, and close to or above the 1973 record of 92 cents a share. Chrysler is expected to earn 75 cents to 80 cents a share, a sharp turnaround from the $79 million loss it reported in the 1975 period. American Motors Corp., plagued by soft sales and stiff competition in the small-car end of the market where it specializes, already has said it expects to report a loss for the period.

Ford said its second quarter earnings were reduced $16.6 million, or 17 cents a share, by a change to the last-in, first-out, or LIFO, method of inventory accounting. For the half, the change reduced net $31.3 million, or 33 cents a share. Ford said it didn't restate year-earlier figures.

Under LIFO, the cost of goods sold is based on the most recent prices for raw materials and other inventory items, thus reducing the ballooning effect that inflation has on profit.

FUNERAL REGULATIONS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. RUSSO. Mr. Speaker, the House Small Business Subcommittee on Regulatory Activities has held a series of hearings this year on proposed trade regulations developed by the Federal Trade Commission affecting the funeral industry in the United States. Under the astute leadership of my esteemed colleague, the Honorable WILLIAM HUNGATE, the subcommittee has discovered a number of serious methodological shortcomings with the preparation of the FTC proposed regulations. In addition, the basic premise of the regulations has tended to cast a suspicious eye on over 22,000 of our Nation's smallest businessmen.

Although our subcommittee has taken no formal position on the proposed FTC rulemaking, it is my firm hope and belief that the Federal Trade Commission will utilize our hearing record and pay heed to our findings. It is my personal view that the evidence uncovered by the subcommittee has failed to indicate the type of widespread fraud and abuse that would necessitate such heavy-handed Federal regulation.

At this point, Mr. Speaker, I would like to insert the recent testimony submitted to the Federal Trade Commission by Chairman HUNGATE and ranking minority member Representative JOHN Y. MCCOLLISTER. I fully support the findings and statements of my two colleagues.

The testimony follows:

TESTIMONY OF CONGRESSMAN WILLIAM L. HUNGATE

I. SUBCOMMITTEE INTEREST

The Subcommittee on Activities of Regulatory Agencies of the House Small Business Committee has investigative jurisdiction over the administrative procedures and regulations of all federal regulatory agencies as they affect small business. In the fall of 1975, the Subcommittee began receiving a large volume of mail complaining about the Federal Trade Commission's proposed trade rule for the nation's funeral industry. Many of the letters complained generally about the rule, many more cited specific sections of the rule. Many more questioned the possibility of a significant paperwork burden if the rule were to be passed as it. Others questioned the basis for the Commission even proposing the rule. Others questioned whether the FTC Improvements Act authorized such expansion of FTC rulemaking jurisdiction. How many complaints had they received? How widespread was criticism of the industry?

Other members of Congress then began complaining to the Subcommittee due to the mail they had begun to receive. Did we intend to do anything? Staff was directed to do some preliminary study. They discovered that the industry in question is a "small business intensive" industry. Estimates indicated well over 90% of the industry could be properly qualified as "small business" with annual receipts well under the SBA two million dollar level and a national average of only 2.3 full-time employees.

For example, in Michigan there are 851 licensed establishments which are operated by only 2,277 individual licensees.

At a December meeting, the Subcommittee decided that we would hold hearings on the proposed rule and would allow witnesses in support and in opposition of the rule to testify before the Subcommittee. Our area of concentration was the effect implementation of the rule would have on the small businessmen in the funeral industry.

II. SUBCOMMITTEE HEARINGS

Hearings on the proposed rule were held by the Subcommittee on January 21 and 22 and March 25. FTC jurisdictional hearings to date have been held on April 6 and June 16.

Industry witnesses voiced several important concerns related to the small business impact of the rule. It is unfortunate that when such a detailed industry study is complied, there is no economic impact study done.

Economic Impact of the Rule

What effect will this rule have on the small funeral director? Printing X number of forms per funeral, three-year maintenance of files, constant updating of forms, personnel to take care of this burden—won't this drive the cost of a funeral up and not down? Higher prices, new employees—would this not threaten the small operator and perhaps even lead to more "funeral supermarkets?" The Missouri Funeral Directors Association have made a study on this and I direct your staff's attention to it (p. 369, Vol. III, Hearings).

Section 453.3

This section makes it illegal "to make any statement or claims, written or oral, which expressly or implicitly contradict, mitigate or detract from the printed disclosures which are required by paragraph (A)(2) of this section or which are false, misleading, or unsubstantiated . . ." witnesses questioned just what this section means. A close reading of it would seem to imply that a funeral director could hardly make any kind of oral statement. How do you determine what is misleading? Most important of all, how do you enforce a section like this?

Funerals in the Black Community

Representatives of the industry from the black community appeared before the Subcommittee. They told us that FTC staff knew nothing of their part of the industry. Neither were they consulted nor were their views studied during the rule-making process. In their testimony, we heard that in big cities like New York, Chicago, St. Louis and Philadelphia, 90 percent of the black funerals are held at night.

In fact, we were told when representatives of the black segment of the industry complained to the FTC staff, the staff did not even know anything about night funerals. Such an oversight does not say much for FTC staff research.

Consumer spokesmen

Time and again we heard about consumer outrages in the industry. Consumers were all for the rule. Yet getting a spokesman to come forth and testify and then submit to questioning was another story. Mrs. Knauer, the Consumer Federation of America, and the Consumer Affairs Committee of the Americans for Democratic Action all were invited to testify. All were given more than one opportunity. None appeared in person. Only Mrs. Knauer submitted a statement. It was the same one given to the Commission.

In their report, our Subcommittee staff said that the New York City and State Consumer witnesses offered little significant documentation on the industry. Neither witness could give the exact number of funeral complaints, although both indicated very few had been received.

Total small business neglect

The Commission staff has been busily promoting their rule in the press. Press release after press release has been issued. Stories have appeared across the country portraying the industry as one riddled with con and rip-off artists. Where is the proof? How many complaints have you received? How come several states we were told about hardly ever see a funeral complaint?

During our hearings, one witness suggested that 22,500 funeral homes were far too many. The country could make do with only 2,500. This is like saying the country could get along with one automobile maker—it's more commonly called a monopoly. Beyond that, I'm not sure I would want to die in Slipper Rock and have to be taken all the way to Philadelphia for the funeral.

The Commission study, as does Commission staff, refers over and over again to the "billion dollar funeral industry." Yet we are not talking about one big business. We are talking about over 20,000 businesses, most of them small. This has apparently been overlooked.

III. SUBCOMMITTEE STAFF ATTENDANCE AT COMMISSION'S NEW YORK FIELD HEARINGS

To better understand the process by which a rule is finalized, the Subcommittee sent Majority Counsel Stephen P. Lynch and Minority Counsel Jerrold S. Jensen to New York City. After observing your first few hearing days in New York, staff returned and filed a report. In that report they made several interesting observations. I earlier mentioned their comments on consumer testimony. They were also interested to find out that witnesses at the hearing were not sworn. The proposition that cross-examination of witnesses is allowed is a step forward. However, the right to cross-examine a witness who is not under oath has an illusory and subminimal value. As a result of that observation, I have sent a letter on behalf of the Subcommittee to Chairman Collier asking why the Commission does not choose to swear their witnesses. If it is a legal shortcoming, then the Congress should be made aware of it. Why spend countless dollars holding hearings around the nation if you cannot take sworn testimony?

Another interesting observation by the staff was the lack of oral documentation presented by the witnesses. While documentation was apparently being submitted for the record, only one witness, a former New York State Commission investigator, offered a detailed factual presentation in support of the need for a federal rule.

I would like to mention that in their report, Subcommittee staff did state that they received fine cooperation from both the Washington and New York FTC staffs and particularly cited you, Mr. Kahn, for being most cordial and informative.

IV. FTC WASHINGTON HEARING

The Subcommittee appreciates this opportunity for three of its members to be allowed to be here today and share with the Commission some of the information and observations that resulted from our hearings. I wish to make it clear that the Subcommittee to date has taken no formal position in either support of or opposition to the proposed rule. Our main concern is, "How will this rule affect small businesses which dominate this particular industry?"

Earlier in my statement I mentioned some of the concerns that were expressed to the Subcommittee by industry witnesses. The Honorable John Y. McCollister, ranking minority member of the Subcommittee from Nebraska, will now address more of the concerns expressed at the hearings. Then the Honorable Millicent Fenwick, Congresswoman from New Jersey, will address the Commission. Mrs. Fenwick, former Director of the New Jersey Division of Consumer Affairs, had previous experience in that position with the funeral industry and probably will share some of her experiences with you.

TESTIMONY OF CONGRESSMAN JOHN Y. MCCOLLISTER

The Federal Trade Commission is certainly buffeted these days in trying to adhere to the current hue and cry for deregulation and still follow the mandate of the Magnuson-Moss Warranty—FTC Improvement Act to "prescribe rules which define with specificity acts or practices which are unfair or deceptive acts or practices in or affecting commerce."

My purpose in being here today is to highlight for you some of the information and observations that resulted from the hearings our Subcommittee on the Activities of Regulatory Agencies held on the proposed FTC funeral regulations.

I was particularly interested in these hearings because I am also a member of the House Interstate and Foreign Commerce Committee, which, as you know, was largely responsible for the Magnuson-Moss Act. I am concerned with whether the FTC is following the intent of Congress in prescribing rules for the funeral industry.

The testimony we received indicates that deceptive trade practices in the funeral industry are not a prime consumer concern. One might question why the FTC chose such a low priority target on which to focus its regulatory guns.

The funeral industry is not among even the top 15 industries complained about most to the Better Business Bureau. How many of the top 15 have been subjected to FTC regulation?

The American Association of Retired Persons claimed, before our Subcommittee, that they had received approximately 15,000 letters complaining of unfair funeral practices.[1] When our staff counsel, on both the majority and minority side, visited the AARP to review those 15,000 letters they found the number was not 15,000, but more accurately 462. And the complaints to the AARP, for the most part, centered not upon unfair practices, but upon high prices.[2] Now, I sympathize with retired persons who are living on fixed incomes. They have had to endure a tremendous rate of inflation during the past few years. A funeral may, in fact, be an expensive proposition. But we are concerned here with unfair or deceptive trade practices, not high prices.

The Congressman from Maine on our Subcommittee checked with the Consumer Fraud Division in his home state. He found that from June of 1970 to December 31, 1974, there had been 4,639 complaints filed. Only four of them related to the funeral industry.[3]

The ranking minority member of the House Small Business Committee reported that in his home state of Massachusetts, the State Board of Funeral Directors, between 1970 and 1975, averaged only about seven complaints a year.[4]

Mrs. Fenwick, who is here with me today, and who is also a member of our Subcommittee, reported that complaints in her home state of New Jersey are also relatively few.

Mrs. Fenwick's experiences in New Jersey should be instructive to this Commission. As Director of the Division of Consumer Affairs in New Jersey, she used to receive as many as 5 complaints a week on the funeral industry. She didn't scream for Federal regulation. She got together with the Board of Mortuary Sciences in her state and devised a set of funeral regulations.[5]

In the succeeding eight months that she was the Director of the Division of Consumer Affairs, she reports she had only one complaint. The FTC would do well to explore the possibilities of more industry self-regulation and regulation at the state level.

In Mr. Hungate's home state of Missouri, our witness told us that in the nine years he had been secretary of the State Board of Embalmers and Regulatory and Licensing Agency, only 15 written complaints were filed with the hearing commissioner and only two of them were consumer-oriented—two consumer campaints in nine full years![6]

The testimony we received without question revealed that state agencies are very successfully dealing with abuses in the funeral industry.

So I would like to know where the funeral complaints are coming from and where are the unfair and deceptive acts or practices. Let me repeat for the record—although we all deplore high prices and inflation, the proper scope of FTC interest should be confined to prevention of unfair or deceptive trade practices. High prices may be a common—even justified—complaint in the funeral industry. But, from the evidence received by our Committee, the incidence of deceptive trade practices is not.

From the presentations at our hearings, I have concluded that the complaints of funeral directors about the FTC regulations have merit.

First, take the matter of itemization of funeral costs. Objections to itemization centered mainly around two factors: (1) it would increase the cost of the funeral to the consumer, and (2) it ignores the element of overhead or fixed costs.

However, itemization was something the funeral directors, for the most part, felt they could live with. We heard that some states that require itemization, like Mrs. Fenwick's state of New Jersey, have actually had favorable results from itemization, though it indeed has increased costs to the consumer. Indeed, if itemization is intended as a remedy for high funeral costs, the medicine seems likely to make the patient sicker still. Itemization will increase—not cut—consumer costs.

Second, the FTC regulations do damage to the professional reputation of funeral directors. The image the FTC is trying to force upon honorable, reputable funeral directors providing a vital service to the public is most unfair. The FTC would require funeral directors to provide consumers with a statement telling them what is not required by law for funerals. It would demand they tell their customers where they can buy like goods for less. In essence, the FTC's requiring the funeral director to hand the consumer a statement saying: "You cannot trust me—I do not run an honest business." This may seem fair to the customer, but how fair is it to the businessman? It is anathema to the American enterprise system. The consequence of this aspect of the regulation will be to destroy the personal integrity, self-esteem, and community respect of honest funeral directors, who, in my opinion, constitute the vast majority of the funeral directors in this country.

Third, the FTC regulations ignore the nature of the funeral business. Permeating the entire FTC funeral regulation is the idea that the FTC is advocating immediate disposition of human remains with a complete lack of sympathy, understanding, or appreciation for the customs, folkways, and religious preferences of the bereaved families.

Price is not the only concern of bereaved families in making funeral arrangements. Funeral directors are not chosen simply—even primarily—on the basis of cost, but on the basis of religion and personal relationships—non-quantitative elements. Your proposed regulations completely miss this point. They suggest to the customer that his non-price considerations are somehow invalid.

Fourthly and finally, these regulations mean more controls and more paperwork for small businesses. Most funeral businesses are small—two or so employees. The owner doesn't have a legal department or an accounting department. Filling out more and more forms is a non-productive use of his time. The President has directed that all agencies cut down on paperwork. In this regulation, the FTC goes in the opposite direction.

We've had enough of Big Government telling our people what is best for them. You have heard this before. I am not going to lecture you on it. But it is an honest, legitimate public concern. The more we impose bureaucratic regulations upon citizens and businesses in this country, the more we remove them from the decision-making rights they ought to enjoy in a democratic, free enterprise system, and the more difficult we make it for the small entrepreneur to exist.

Our government is so big today—the problems it addresses are so complex. The Constitution, however, clearly gives to the Congress the power and responsibility to determine policy for the Federal government. The executive branch—including the FTC—is charged with carrying that policy into effect. Of course, the Congress knows that the detailed policy decisions will be made by executive branch agencies. But that fact does not destroy the essential distinction in roles. As the FTC enacts regulations, it would be well to remember that any regulation it draws up should reflect the policy Congress would make on that question—any regulation should enjoy majority support on Capitol Hill. I doubt this funeral regulation fits in that category.

This does not mean nothing should be done. The crux of the problem is that consumers do not have enough information regarding funerals. Our policy, therefore, ought to be to provide consumers with information so as to allow them to make their own intelligent decisions; not to make such tight regulations that the decision-making process is turned over to the federal government. There should be a balance between informed free choice and government protecting citizens from hazards. The FTC funeral regulations, in my opinion, go far astray from that mark.

From the testimony our Committee received, it is very questionable that the Federal government should have been involved in regulation of this industry at all. The states seem to be doing a better job than the FTC can do. I think FTC pre-emption of the states in this matter is unjustified.

This, of course, is not the only regulation that denies citizens and businesses their decision-making rights in the marketplace. I doubt that it will be the last. But as a result of these hearings, I do intend to see that Congress considers legislation which will prohibit the FTC from preempting state law and foisting this kind of regimentation upon our society.

FOOTNOTES

[1] Regulations of Various Federal Regulatory Agencies and Their Effect on Small Business (Part 3), Hearings Before the Subcommittee on Activities of Regulatory Agencies of the Committee on Small Business, House of Representatives, 94th Congress, 2nd Session, 1/22/76, p. 402.

[2] Memorandum, 4/07/76.

[3] Hearings, 1/21/76, p. 83.

[4] Hearings, p. 328.

[5] Hearings, Vol. 1, p. 42.

[6] Hearings, p. 361.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on July 30, 1776, the Continental

Congress considered the report of the committee appointed to inquire into the disastrous Canadian campaign. The report attributed the campaign's failure to three causes: Short enlistments, shortage of hard money, and smallpox.

Short enlistments contributed to the failure by rendering unstable the number of men engaged in military enterprises, by making them disorderly and disobedient to their officers, and by precipitating the commanding officers into measures which their prudence might have postponed could they have relied on a longer continuance of their troops in service.

The lack of hard money affected the campaign by rendering the supplies of necessities difficult and precarious, the establishment of proper magazines absolutely impracticable, and the pay of the troops of little use to them.

Finally, smallpox made a large proportion of the men "unfit for duty."

CONSUMER FACTS ON AIR FARES

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. DE LA GARZA. Mr. Speaker, all of us are aware that the mechanics of living have become increasingly complex—and needlessly so in many instances. Man-made and computer-enforced difficulties hamper the performance of what should be simple tasks. Travel offers a case in point. A trip from point A to point B can give rise to vexing problems of inconvenience and cost overrun.

If the travel is by air, as it so often is nowadays, the traveler is faced with apparently unlimited kinds and numbers of fares and a multiplicity of rules applying to their use. Even seasoned travelers have a hard time figuring out the best fare for the most convenient flight. The task is much more perplexing for the more typical consumer, the occasional or first-time air traveler seeking to use both his dollars and his time with maximum effectiveness.

All of which is a prelude to calling the attention of my colleagues to a small publication, "Consumer Facts on Air Fares," issued recently by the Office of the Consumer Advocate of the Civil Aeronautics Board. This folded single sheet of paper performs a service of great value to the air traveling consumer.

The publication, written in an easily understood style, provides succinct answers to the typical traveler's questions in a simple, readable format. It tells the air traveler what he should know by defining and giving general conditions of the most commonly available types of air fares. It suggests nine specific questions for the traveler to ask the air line or travel agent before deciding what is the best fare for him.

This is not the first consumer publication to be published by the CAB's Consumer Advocate Office but it is one of the handiest and most instructive I have seen for any group of consumers. The Consumer Advocate Office deserves commendation for issuing it.

WPIX–TV IN NEW YORK CONTINUES TO WIN AWARDS FOR EXCELLENCE IN EDITORIALS AND DOCUMENTARIES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. BIAGGI. Mr. Speaker, I am proud to announce to my colleagues that WPIX–TV in New York was recently awarded two awards for excellence in broadcasting presented by the New York State Broadcasters.

WPIX–TV thus continues its tradition of excellence in the fields of editorials and documentaries as evidenced by the fact that their editorial award was their sixth in 7 years and fourth in a row. Certainly their quest to inform the public while avoiding undue inflexibility of position aided them in winning these coveted awards.

I wish to pay a special tribute to Richard N. Hughes, senior vice president of WPIX–TV who is responsible for the writing and presentation of their editorials, and who also wrote, directed, and narrated the award winning documentary on the Concorde. Mr. Hughes has certainly distinguished himself in the media community of New York and is worthy of high praise. I wish he and the station continued success in the future.

Mr. Speaker, at this point in the RECORD I wish to insert a WPIX–TV press release which discusses the recent awards.

WPIX TV WINS TWO STATE BROADCASTERS ASSOCIATION AWARDS FOR EDITORIALS AND DOCUMENTARY

An award for its editorials and one for its documentary, "The Concorde: Bird Of Prey Or Bird Of Paradise?," were won by WPIX TV in the eleventh annual Awards For Excellence in Broadcasting presented today by the New York State Broadcasters Association.

The awards were accepted by Richard N. Hughes, Senior Vice President, WPIX Inc., who writes and delivers Channel 11's editorials and who was producer, writer and narrator of "The Concorde: Bird Of Prey Or Bird Of Paradise?"

The editorial award was won by WPIX TV for the sixth time in seven years and for the fourth year in a row—a record for the organization giving the awards. Along with the award for the best public affairs program produced and broadcast by a New York City television station, WPIX TV topped all television stations in both the city and statewide by winning in two top categories.

In accepting the award from Perry B. Bascom, Chairman of the NYSBA Awards Committee, Mr. Hughes said, "This is a singular honor to win these two significant and distinguished awards. We accept this award for editorials while recognizing not only its inherent value, but also recognizing it as a challenge to continue the high standards that we must meet to justify this honor."

"The award for best public affairs program produced and broadcast by a New York City television station is especially meaningful to WPIX," Mr. Hughes said. "We have embarked on a project to produce additional documentaries of a similar nature under the title 'WPIX Editorial Report' and the next, to be presented this Fall, will deal with nuclear energy and its ramifications to our society. Later in the year, we plan another on the postal system. Certainly this award encourages and inspires our efforts in this commitment."

WPIX submitted twelve editorials, one from each month covered by competition, to the NYSBA Awards Committee representing a range of topics rather than a single editorial or a brief campaign.

WPIX won the award in 1970 for its Editorial Feedback concept; in 1971 for a series of editorials urging the appointment of a Puerto Rican to the New York State Parole Board; 1973 for its editorial position on former Governor Rockefeller's controversial proposals for dealing with the drug problem; in 1974 for editorials on gun control; and in 1975, as in this year, for a series of editorials.

Head of the panel of judges for the NYSBA competition is Dr. James R. Treble, Associate Professor and Chairman of the Radio and Television Department, Ithaca College at Ithaca, New York.

CHALLENGE TO PAY ACTION

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. GRASSLEY. Mr. Speaker, in the anniversary of the passage on July 30, 1975, of the automatic annual pay increase, I would like to take this opportunity to commend my colleague, LARRY PRESSLER, on the action he has taken to challenge the constitutionality of this "automatic annual" pay raise for Members of Congress. As you may already know, Mr. PRESSLER has filed suit with the U.S. District Court for the District of Columbia, and a three judge panel has been appointed. Mr. PRESSLER has filed his motion for summary judgment and the oral argument is set for September 21, 1976, before U.S. District Judge Gerhard Gesell and Circuit Judges Edward A. Tamm and Thomas A. Flannery.

Mr. PRESSLER'S suit seeks to have certain provisions of the Federal Salary Act of 1967 and the Executive Cost-of-Living Adjustment Act of 1975 declared unconstitutional as they apply to Members of Congress only. The suit is not intended to reduce congressional salaries—but rather to insure that a vote be taken on each future payraise, as was originally intended by the draftsmen of our Constitution.

I am pleased with the action taken by Mr. PRESSLER, because I also feel the need to establish a precedent with regards to the authorization of a pay raise without a vote on each individual raise enacted. We, as Members of Congress, have an obligation to the citizens of this Nation to demonstrate a sincere diligence in slowing inflation. This cannot be accomplished when we ourselves have no control over our salary increases. I am in full support of Mr. PRESSLER in trying to return the responsibility to Congress for setting its own salaries.

HANDGUNS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. BOLLING. Mr. Speaker, I commend the attached article in the July 26, 1976 New Yorker magazine to our colleagues:

HANDGUNS

(By Richard Harris)

At a little before nine o'clock on the evening of April 16, 1974, a station wagon pulled up in front of a small apartment house on a quiet residential street in San Francisco. The occupants of the station wagon were two white men in their early twenties. One was Nelson T. Shields IV, a native of Delaware, who was in the area to spend a few days visiting friends before going back East to reenter college after having dropped out a year before. The other man was Jonathan May, whom Shields had met a couple of days earlier through the friends he was visiting and had also become friendly with—chiefly because he and May were both avid and expert lacrosse players. The two men had just finished coaching a group of boys in the game and had been heading for May's apartment when he remembered that he had promised to stop off to pick up a rug he had bought from an acquaintance. May, who was driving, parked and went into the building to get the rug, and Shields walked around to the back of the station wagon, opened the rear door, and began rearranging the litter of lacrosse equipment there to make room for the rug. Suddenly three shots were fired at close range into Shield's back, and he collapsed on the street. May heard the shots and hurried out of the building to see what had happened. Shields was dead.

There were no witnesses to the crime, but the police ballistics division reported that the bullets that killed Shields had been fired from a .32-calibre pistol that had been used in several other apparently random murders and attempted murders of white people by a small group of black men—known by the police code name Zebra—who had been carrying on a campaign of racial terrorism in San Francisco for five months. Shields' death brought the toll attributed to the Zebra gang to seven people wounded and fourteen people killed. As it turned out, Shields was the last Zebra victim.

Shields' father, Nelson T. Shields III, who was a marketing manager in the consumer-products division at E. I. du Pont de Nemours and Company, in Wilmington, Delaware, flew out the next day to pick up his son's body. "Somehow the press got the idea that I was a vice-president of du Pont, and gave me a big play," he said recently. "I agreed to speak at a press conference, and the reporters there all seemed surprised that I was the only relative of a Zebra victim who didn't want vengence, who didn't say, 'I'm going to get a gun and go find and kill the men who murdered my loved one.' I didn't feel that way at all. I was just full of sorrow and full of wonderment over how such a thing could have happened. When I got back to Wilmington, I had to face what I was going to do—go back to work and go to the same old cocktail parties and try to forget? But my boy's death made me wonder if I could do something to stop this from happening to somebody else's kid. 'Could I do something to help my society be better?' I asked myself. I'd never even thought of such a thing before.

My friends felt that I was acting too emotionally, even though understandably, and they kept telling me to cool it. So I went back to work, but I spent all my spare time for a year reading up on guns and gun laws and gun-control proposals of all kinds. I kept asking myself during that year, 'What can be done? What can *I* do?' Much later on, I heard about a young man who had lived in Chicago and had been held up there one night in 1973 by a man with a gun. Well, *this* victim wasn't going to take it. Soon afterward, he moved to Washington, D.C., and one of the first things he did was try to join a national handgun-control organization.

To his amazement, he found that despite all the havoc and grief created by handguns in this country, there wasn't a single national handgun-control lobby trying to do anything about it. Anyway, he and a few friends organized and incorporated the National Council to Control Handguns, in January, 1974. They spent months after that knocking on doors, trying to get operating funds and members to support a national gun-control lobby. By November, they had drummed up enough support and collected enough money to open a small office in Washington. Late that year, I heard about N.C.C.H. and went down to Washington to look into it. I discovered that the director was an old friend of mine—Edward Welles, a retired C.I.A. official, who was doing the job for nothing. He and one low-paid secretary were running the whole operation. I talked to them, and then I took a temporary leave of absence from my job so that I could attend a series of gun-control hearings held by Congressman John Conyers during February, March, and April of 1975. Early in May, I asked du Pont for an indefinite leave, and it became effective early in July. I went to work for N.C.C.H. full time then, and when Wells retired last September, I took over as director. My job is voluntary. I don't get paid by either du Pont or N.C.C.H. I figured that after working hard for twenty-six years and saving carefully, if I couldn't take at least a year off to do this for my son, for myself, for my country, I wasn't much of a man."

Not long ago, I went down to Washington to talk with Shields about the operation of the National Council to Control Handguns. The outfit's office turned out to be a small, modestly furnished suite of rooms, and Shields turned out to be a grey-haired man of medium height in his early fifties who was wearing horn-rimmed glasses. He greeted me affably, and waved me to a chair in his office while he went off to get us some coffee. A poster on the wall near my chair had a black background and the white outline of an hourglass, in which various kinds of revolvers and automatics were flowing down from a half-filled top into a half-filled bottom. Beside the hourglass were the words "In the eight seconds it takes to read this sentence, another handgun will have been produced in the United States. By the time you finish reading this poster, it will have been sold. Aren't things moving a little too fast?"

When Shields returned with the coffee and sat down behind his desk, I asked him why his organization was concentrating solely on handgun control, rather than on control of all kinds of firearms.

"There are forty to fifty million privately owned handguns in our country today, and of the million violent crimes committed here every year an estimated three hundred thousand are committed with handguns," he answered without hesitation. "The latest figures, for 1974, show that handguns were used in about a hundred thousand aggravated assaults, a hundred and forty-five thousand robberies, a couple of thousand accidental deaths, ten thousand suicides, and eleven thousand murders. To give you a better idea of what the murder figures alone mean, between 1966 and 1972, the peak years of the war in Vietnam, forty-four thousand Americans were killed in battle there.

During the same period, fifty-two thousand people were murdered with handguns here at home. Or take the statistics on murders in this country by type of weapon. Five per cent of them were committed with rifles, nine per cent with shotguns, eighteen per cent with knives, seven per cent with things like clubs or pokers or poison, eight per cent with hands or feet, and *fifty-four* per cent with handguns. Are we going to wait until there are eighty million or a hundred million handguns in the United States and a million handgun crimes a year before we do something? We've got to start—now!"

Shields' telephone rang, and after a brief conversation he turned back to me and said, "The total number of deaths by gunfire in this country is greater each year than it is in all the other free nations of the world combined. That's beacuse *they* control guns—above all, handguns—and we don't. For instance, Japan prohibits the private ownership of handguns entirely. In 1971, when the crime rate here was far lower than it is today, there were one hundred and ninety-one times as many gun murders in the United States as there were in Japan."

Breaking off while he searched through a stack of papers on his desk, he finally pulled out a sheaf of them and waved it at me. "This is a statement made by Louis Harris, the polister, in testimony before the Senate Committee on Government Operations last fall," Shields said. "Harris had a poll conducted on guns at his firm's own expense, as a public service, and was testifying about the results. He found that by a majority of seventy-seven per cent to nineteen per cent the American people favor mandatory federal registration of all handguns.

What's more"—here Shields paused and raised a forefinger for attention—"gun owners themselves favor mandatory registration of handguns by a margin of sixty-nine percent to twenty-seven per cent. And *even* handgun owners, when considered separately, favor such controls by a margin of sixty-one to thirty-three per cent. Now, here's Harris's own conclusion based on his poll: "These results are decisive and beyond any question of whether the American people favor gun control.' and he goes on to say that the American people 'view gun-control legislation as a necessary, critical, and primary first step.' Well, we at N.C.C.H. entirely agree with that conclusion. We don't believe that even the most stringent handgun controls will end violent crime.

The causes of crime in this country are too deeply rooted in such complicated problems as our criminal-justice and penal systems, juvenile delinquency, the lack of jobs, and all the social and economic inequities that our society hasn't been able to adjust fairly. But we strongly believe that America simply cannot wait for broad social progress to reduce crime. Action—direct action—has to be taken *now*. And it's possible *now*. Once we sharply reduce the private possession of handguns, violent crimes in this country will start to be cut down dramatically."

Shields expended a long, breathy sigh as if in relief, leaned back in his chair with his hands cupped behind his head, and smiled broadly. "So much for the statistics," he said. "Now for the political realities." I had been about to bring up that subject, because the absence of any meaningful gun laws in this country—despite a dozen years of assassinations and attempted assassinations, riots, and the rapid rise in the nation's crime rate—had let me to wonder if we could ever have effective controls over firearms.

The Washington-based National Rifle Association, I knew, was regarded in the capital as having the most powerful lobby in town. Members of Congress, it has often been said, tremble before the N.R.A.'s wrath whenever even the most modest gun-control measure is proposed in either house. I mentioned these factors, and Shields nodded. "We don't

have any effective gun laws because of politics, and the only way we can get such laws is through politics," he said. "Since the country's staggering rate of violent crime deeply concerns the public, and since the handgun contributes a very large share to that crime rate, handgun control is a practical, realistic political issue." For instance, Louis Harris has also indicated that any candidate for public office who makes tough gun controls a major campaign issue will win. We believe he's right.

So our primary task is to convince lawmakers that they stand to lose more votes by being for guns than they do by being against guns. In order to accomplish *that*, we have to create a coalition out of the great mass of the American people who are for strict gun controls—again, remember, that means between seventy and eighty per cent of *all* adults in this country—and get them to act, to speak out, to write and wire and phone their members of Congress and demand handgun controls. That's the only way We can persuade politicians to support gun controls."

Leaning forward, Shields went on, "Our movement has to be basic. It has to come from the grass roots of America. Part of our strategy is to serve as an umbrella organization for the dozen or so handgun lobby groups already in existence around the country. In June, there was a meeting of all state and local handgun-control lobbies, and they voted to set up a national coalition with N.C.C.H. as leader of the movement. We will give them advice and information, and urge their members, in turn, to support us so that we can organize more such groups elsewhere and really get this movement moving. There are also purely educational outfits, not lobbies, that inform the public about the dangers of guns and what can be done about them. We use some of their information, and they are in the process of setting up their own umbrella organization."

Not long before, I had read in the *Times* that the N.R.A. has over a million members and an annual budget of thirteen million dollars, nearly half of which was said to be spent on direct and indirect lobbying against gun controls throughout the United States. When I asked Shields about N.C.C.H.'s membership and budget, he smiled, leaned back in his chair again, and answered, "Of course, we've hardly begun. Since I took over last September, we've raised around forty thousand dollars—the first third of it from my friends." The total raised so far, he continued, had paid for office rent and salaries for an assistant director, a secretary, and a part-time bookkeeper. There were also an unpaid part-time specialist in membership enrollment, together with a fairly large number of other volunteers, including a couple of advertising and public-relations men and fifteen lawyers from various law firms in Washington, who draft gun-control legislative proposals and advise N.C.C.H. on the legislation that is constantly being proposed, opposed, and revised on Capitol Hill.

Whatever money is left over after basic expenses, Shields explained, is spent on direct-mail solicitation for support of the organization's goals and for donations to help it achieve them. "So far this year, we have sent out more than a hundred thousand pieces of mail—mainly soliciting new members," he said. "Next year, we hope to send out a million pieces of mail, and to continue on that basis, or better, annually. But we have to organize on a professional rather than a purely volunteer foundation if we're going to be really effective. And we can't do that—in fact, we can't do much of anything—without having money up front. That's what we need—money, money, money." As for N.C.C.H.'s membership, he told me, there were only four thousand members, while various state gun-control groups had perhaps fifteen thousand members altogether. "But I believe that if we get enough money to put out enough direct mailings, by the end of 1977 we'll have three hundred thousand to four hundred thousand members," he added. "Then we can really go to work. We plan to organize these members selectively, with emphasis on the congressional districts that are pivotal in House votes on the gun issue.

Our goal is to enroll at least two hundred active workers in each pivotal district, in order to create the nucleus of a campaign organization when it comes time to act directly. At the appropriate time, we'll select from four to six congressional elections where we can get candidates to commit themselves to vote for handgun-control laws, and then we can measure the depth of voter feeling on the issue. Essentially, it's the same technique used by the Dirty Dozen Campaign Committee. In the past three congressional elections, the committee has gone directly into the election districts of the twelve incumbents it chooses each year on the basis of their poor voting records on environmental issues.

Nineteen of the committee's thirty-one targets have been defeated. We plan not only to duplicate this effort but to work with that committee and other public-interest committees, which are being set up more and more by groups of citizens across the country. By these means, we believe that we can prove to politicians that handgun control is crucial to any candidate's election or reelection."

A tall black-haired man in his mid-twenties came into the office, excused himself for interrupting us, and asked if he could show Shields something in the outer office. Shields introduced him to me as Charles Orasin, assistant director of N.C.C.H., told me that he'd be back in a few minutes, and the two men started out of the room. Then Shields stopped, went back to his desk, and handed me a stack of papers to look through while he was away. Among the papers was a leaflet put out by the Crime and Justice Foundation concerning a drive to put a referendum banning private ownership of handguns on the ballot in Massachusetts for this year's election. The leaflet mentioned a state pro-gun faction called the Gun Owners Action League, or GOAL, and reported that GOAL had recently called for a boycott of all products made by Gillette Corporation, because Gillette happened to be one of several corporations that had donated funds to the foundation. The leaflet also included a reprint of an editorial from the *Berkshire Eagle* for March 19, 1976, which stated in part:

"After the Boston-based company drew the wrath of the state's Gun Owners Action League for contributing to a research foundation that supports gun controls, a Gillette spokesman stated flatly that the bully-boy tactics of the gun organization would not cause the firm to waver one iota in its support of the Crime and Justice Foundation. . . . Too often, the targets of the gun lobby have simply knuckled under. Last fall CBS presented a documentary on hunting from which all but one of the expected sponsors were scared off by a threatened boycott of their products. At just about the same time, GOAL decided to try a squeeze play of its own and instructed its members to withhold contributions from Berkshire County churches that endorsed the initiative petition for a statewide ban on handguns. Fortunately, both CBS and the area church council refused to cave in under the pressure."

The material Shields had given me also included a sample map that N.C.C.H. sends out to its members in each state—in this case, a map of New York State, which was broken down into its thirty-nine congressional districts; below the map were lists of the state's thirty-nine representatives in the House, showing what district they were from and whether they were "for," "leaning for," "against," or had taken "no position" on the latest gun-control bill being considered in the House. The material also contained several anti-handgun appeals put out by another Washington outfit, called the National Coalition to Ban Handguns—one of the educational groups.

And finally, I came upon some lists of the various committees being set up by N.C.C.H., among them a Business for Handgun Control Committee (headed by A. R. Marusi, chairman of the board of the Borden company), a Congressional Advisory Committee (headed by Representative Abner Mikva, Democrat of Illinois), a Law Enforcement Advisory Committee (whose members include Robert diGrazia, Police Commissioner of Boston, and Patrick V. Murphy, former Police Commissioner of New York), and an Entertainers-Sportsmen for Handgun Control Committee (with such members as Ellen Burstyn, James Whitmore, Arthur Ashe, and Dave Garroway). Among N.C.C.H.'s numerous sponsors, consultants, and directors I found the anthropologist Margaret Mead, William D. Ruckelshaus (the former Deputy Attorney General who resigned during the Saturday Night Massacre), Cyrus Vance (the former president of the New York City Bar Association and a high official in the Kennedy and Johnson Administrations), Edmund G. Brown, Sr. (former governor of California and chairman of the National Commission on the Reform of Federal Criminal Laws), Dr. Russell Peterson (chairman of the National Advisory Commission on Criminal Justice Standards and Goals), and Dr. Milton Eisenhower (chairman of the National Commission on the Causes and Prevention of Violence).

I also found, to my surprise, that N.C.C.H. strongly supported the gun-control bill then being considered in the House—an exceedingly ineffectual measure by any standard and one that seemed certain to be rendered even more ineffectual once the N.R.A. went to work on it. When Shields returned to his office, I brought this up, and he conceded that the present bill was far from what he wanted to see enacted. Even so, he added, N.C.C.H. backed it all the way. "For the first time since 1968—when an even worse gun-control law was passed following the assassinations of Dr. King and Robert Kennedy—there is now a chance for *some* kind of a handgun-control law in this Congress," he explained. "I'm convinced that we have to have federal legislation to build on. We're going to have to take one step at a time, and the first step is necessarily—given the political realities—going to be very modest.

Of course, it's true that politicians will then go home, and say, "This is a great law. The problem is solved." And it's also true that such statements will tend to defuse the gun-control issue for a time. So then we'll have to start working again to strengthen that law, and then again to strengthen the next law, and maybe again and again. Right now, though, we'd be satisfied not with half a loaf but with a slice. Our ultimate goal—total control of handguns in the United States—is going to take time.

My estimate is from seven to ten years. The first problem is to slow down the increasing number of handguns being produced and sold in this country. The second problem is to get handguns registered. And the final problem is to make the possession of *all* handguns and *all* handgun ammunition—except for the military, policemen, licensed security guards, licensed sporting clubs, and licensed gun collectors—totally illegal.

Like just about every other person in the country who can read, I said, I was aware of the N.R.A.'s ominous and incessant warn-

ings about how the ultimate aim of gun-control advocates was to disarm the citizenry and thereby leave law-abiding citizens prey to armed marauders, including a Communist army attempting to invade our shores—all in violation of the Second Amendment's guarantee of the "right of the people to keep and bear Arms." Shields laughed, and took up the last point first. "At various times in the past century, federal courts, including the Supreme Court, have said that the Second Amendment was designed to guarantee the states the right to maintain militias, and that any state or the federal government can restrict or prohibit the private ownership of guns.

"As for our defending ourselves against the Red hordes with pistols, that's just plain silly. Defense is up to the Army, the Navy, and the Air Force—not to ordinary citizens armed with handguns they aren't trained to use and which aren't much good anyhow against targets like trained soldiers armed with rifles and machine guns. The pop-gun crowd keeps arguing that people like me want to take *all* guns away from Americans. That's just not true. Sporting rifles and shotguns have their place. But the handgun has no purpose except to kill somebody. While it's true that criminals would still manage to get hold of handguns even if there were strict laws against their possession, the gradual reduction of handguns in general would make it much harder for them to get hold of guns. One of the greatest myths propagated by the N.R.A. is that armed homeowners often scare off or kill intruders, so many people go out and buy handguns to protect themselves. But the element of surprise in most criminal acts makes the victim's gun of little use, and more often than not it is a greater threat to its owner than no weapon at all would be.

"In a house where there is a gun, residents are four times more likely to be killed by that gun in an accident than by an armed burglar. Another danger is that a large proportion of guns in criminals' hands have come from burglaries of the homes of people who were away at the time, so these guns end up being used in other crimes. What's more, the N.R.A.'s constant talk about 'law-abiding citizens' ignores one overwhelming fact: nearly three-fourths of all murders are committed by people who know their victims, who are relatives or friends or acquaintances. These gun owners were law-abiding until they used their guns, mainly handguns. So if handguns were outlawed, gun accidents along with murders committed in a moment of passion—many of which wouldn't be committed if there weren't a gun handy and the passion had time to subside—would decrease sharply. And once handguns are outlawed, any criminal carrying one could be arrested and imprisoned simply for possession, before he got a chance to use it."

A little later, as I got up to go, I asked Shields if the murderer of his son had ever been found. "Four members of the Zebra gang were arrested, tried, convicted of murder, and sentenced to life in prison," he said. "None of them were charged with my boy's murder, because there hadn't been any witnesses to it, unlike the murders they were convicted for. The police found the gun that killed him—a Beretta automatic that had been used in all the Zebra attacks from January, 1974, on. It was traced back to a kid who had bought it as a lark in 1968. The gun had changed hands several times. It was lost in a poker game, it was sold for some heroin, and, finally, a burglar stole it and sold it to a man in a black self-help center in San Francisco where the four men convicted of the Zebra killings worked. The police tell me they're sure that one of those four killed my son."

Shields accompanied me to the door, and as we shook hands he said, "You know, the N.R.A. has announced that it's going to move its headquarters here out to Colorado. It seems there's too much crime in Washington."

PONY EXPRESS AND THE U.S. POSTAL SERVICE

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. McKAY. Mr. Speaker, the U.S. Postal Service is currently under attack. A frequent charge is that the Postal Service is too slow. The Washington Star recently reported a curious case. It seems that last March Senator MARK HATFIELD, Republican of Oregon, had returned to his office a letter he had sent in 1973 to an irate mail user who had written to complain about the Postal Service. It seems the letter had been lost somewhere in the dead letter center!

The Postal Service also faces the problem of missent mail that is usually traced to sorting machine operators who have a 9-percent error rate. The Postal Service has all kinds of problems with machines. One of the more interesting is a device that shakes packages out of mail sacks. On top of all this, the Postal Service is responsible for raising the price of first class mail 64 percent since 1970. How else can they get rid of their $1.5 billion deficit?

Almost everyone is down on the Postal Service. In fact, the Star reports:

Some congressmen have charged that it frequently takes longer to send a letter coast to coast now than it did in the "Pony Express" days of the 1870's.

A Bicentennial Pony Express race was held recently between Salt Lake City, Utah, and Sacramento, Calif. The Weber County Sheriff's Mounted Posse left from Sacramento the same time the California State Horseman's Association left Salt Lake City. Carrying 500 Pony Express and Bicentennial commemorative letters 756 miles, the Weber posse arrived in Salt Lake City after 39 hours and 11 minutes. They beat the Californians who covered the same distance in 47 hours and 59 minutes.

An interesting comparison can be made between today's service and the Pony Express race. The best time for a letter to travel the same distance via the U.S. Postal Service is about 39 hours and 36 minutes; this is 20 minutes slower than the Pony Express! But the percentage of letters that actually arrive that fast is not very high. One has to bear in mind, the Pony Express riders only had to worry about such things as Indian attacks, while a letter today faces such obstacles as a sorting machine that may send it to the other side of the country, or to a "dead letter" center. It is remarkable for a letter to make it through the other parts of the new automated system which is reportedly "laden with superfluous gimmickry."

ORDER OF ST. DENNIS OF ZANTE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. WOLFF. Mr. Speaker, many of my colleagues, I am sure, are familiar with one of the most ancient chivalric groups in world history, the Sovereign Greek Order of St. Dennis of Zante—an international organization devoted to the alleviation of misery and want worldwide. However, many may not be aware that descendants of this same ancient order actively participated in the American Revolution, fighting heroically alongside Americans in our war for independence.

I would like to share with my colleagues the story of the Order of St. Dennis of Zante, which includes a chapter of which we as Americans can be particularly thankful and proud.

This story follows:

ORDER OF ST. DENNIS OF ZANTE

In two years, the Order of St. Dennis of Zante will be celebrating its silver Jubilee, since it revival in America.

On April 29, 1953, a dedicated, devoted group of American philanthropists, obtained a Charter, and resurgenced the Order in the United States under the auspices of the International American Institute of the District of Columbia, a non-profit, educational, benevolent, non-denominational association, by and under an Act of Congress of the United States, approved March 3, 1901. Under Article Three, sub-chapter (e) its purposes read "To resurgence the Equestrian Order of St. Dennis of Zante in status quo in the United States, as its permanent headquarters and aid morally and materially the Monastery and Church of St. Dennis and the indigent population of the entire Island of Zante and as determined to contribute to the needy people of all nations."

We have adhered religiously to these stated principles. Our rule and guide have been the Brotherhood of Man under the Fatherhood of God.

After the defeat of the armies of Cornwallis on October 19, 1781 at Yorktown, Virginia, there had been an attempt at reviving the Ancient Order in America by two Zakynthian noblemen, Major Michael Vourtzis and Caesar Logothetis, both aides to General Lafayette, who fought in the Continental armies of George Washington. However due to the antipathy of the newly liberated citizens of the thirteen states, to all things pertaining to titles or nobility, it was doomed to utter failure.

On July 4, 1976, all Americans will be celebrating the bicentennial of our Country. We, of the Order of St. Dennis, possibly feel this even more than the average citizen. This is our land by choice and not by birth. The knights of St. Dennis have fought and bled for the freedom of this nation as many issues of the Congressional Record attest. Michael Vourtzis, Caesar Logothetis and their contingent of Zakynthian knights heeding the call of Liberty, struck a blow for the freedom of the thirteen Colonies from the cruel yoke of English oppression and the tyranny of George IV.

Dr. Voultsos takes great pride indeed in his membership both here and in France, in the Society of the Sons of the American Revolution by descent from Major Michael Vourtzis.

The renascence of the Order of St. Dennis of Zante on April the 29th of the year 1953, in America was pre-destined and dictated indeed by divine providence as events showed.

For not three months later a disastrous catastrophe struck Zante, on August 12, 1953. A catastrophic earthquake and all-consuming holocaust practically eradicated the fair Island known as the pearl of the Ionian, the Florence of Greece, from the face of the earth. Cruel Fate had destroyed in minutes a 600-year old civilization.

The intrepid knights sounded the clarion call to duty, and resolutely took up the gauntlet facing the challenge. Guided by the inspiration of our divine Protector St. Dennis, with his blessing as our shield and buckler, we appealed and enlisted the aid of all philanthropists.

In 1954, Dr. Pericles Voultsos-Vourtzis, scion of an ancient family of the Island, was invited to Zante by the authorities to help formulate plans for its reconstruction and rehabilitation.

On the 30th of December, he was annointed and installed as Prince Grand Master of the ancient equestrian Order. This office had been vacant for two hundred years, practically forgotten by all save a few scholarly historians.

An imposing ceremony was held at the Cathedral before the sacred bier containing the blessed body of St. Dennis intact saved by the dictates of Divine Providence, defying all mortal laws of nature through the ages.

Archbishop Chrysotomos, Supreme Spiritual Rector of the Order, assisted by Rt. Rev. Daniel Gigantes, Abbot of the Holy Monastery of St. Dennis, and the entire clergy of the Island officiated in the ancient ritual chrismation. Dignity and official recognition were granted by the presence of Colonel Constantine Kalogeropoulos, Governor of the Island and his Staff, representing the Government of Greece. Mayor Nicholas Filiotis and members of the Municipal Council of Zante, represented the populace of the Island. Count Phokion Logothetis, a descendant of the American Revolutionary hero, and others, represented the hereditary knights in body, thus gracing this glorious event.

Dr. Voultsos was declared worthy of his Zakynthian ancestors. The leading General Michael Vourtzis of the Emperor of Byzantium, Nicephoros Phocos, upon whom the hereditary title of Duke of Antioch had been bestowed by his grateful liege for his capture of that city in 969. Michael Vourtzis, who led the Greek Orthodox Crusaders, joining Fabius Segur, an ancestor of the blessed St. Dennis, and his Zakynthian cohorts in the pious venture of the liberation of Christ's birthplace in 1096. Michael Vourtzis, who led the Orthodox knights of Rhodes back to Zante, to the Commandery of St. John and St. Jerusalem in Kallipado, in 1524. Major Michael Vourtzis, an aide of Lafayette, who along with Count Caesar Logothetis and other Zakynthian Volunteers fought and bled for the liberties of America against the oppression of the British rule and the tyranny of George IV, in 1776.

In the twenty years that followed, a remarkable philo-Zakynthian wave of benevolence for the stricken islanders was initiated. Ancient Commanderies of the Order were re-activated, aid was solicited from all quarters. The American Public in the fore, as always for the unfortunate was moved by the indication of hardship and suffering undergone by the hapless islanders. The warm friendship and sympathetic understanding of our People bespeaking of the christian solidarity of this nation, was mobilized, helping us to ease in a measure, the misery of the innocent victims of the tragedy. We were victorious in this crusade of mercy. Our contribution to the rehabilitation of the gleaming new city of Zante, testifies to the concrete application by the Knights of the Order's motto "Faith-Courage".

We humbly stand on our record of concrete achievement, content with the Good Samaritan's reward. The many contributions of the Sovereign Greek Order of St. Dennis of Zante to the aid of the suffering victims of suffering humanity, innocent pawns of Nature's inequity, are a worthy example for men of good will to emulate. For dedicated philanthropists to follow. The Knights of St. Dennis emerged victorious from this crusade against human misery. Content with the eulogy of St. Matthew "well done thou good and faithful servant".

The Municipality of Zante at the grateful request of the populace proclaimed Dr. Voultsos, an Honorary Citizen of Zante. King Paul of Greece, bestowed upon him the Royal citation in gold. The National Red Cross organization of that County, awarded its golden cross. The Boy Scout organization under the leadership of the King, gave him its medal of "Friend of the Scout". The City of Athens through the Mayor, gave him the Golden Key.

Crowning reward and recognition of the Knights' philanthropic achievement came when Minister Emmanuel Kothris of Greece, decorated the flag of the Order in the Greek Consulate at New York with the Royal Efsimon. King Constantine recognizing merit, at the proposal of the National Foundation of Greece had cited it.

The Knights of the Sovereign Greek Order of St. Dennis are not content to rest on past laurels, but steadfastly applying their ancient motto "Faith-Courage", ever pursue their battle against want. Relieving the poor and commiserating with their misfortune, without distinction as to race or creed. Our credo is epitomized in "Serving God is serving Humanity, serving Humanity is serving God".

STATEMENT OF REPRESENTATIVE BELLA S. ABZUG ON RECONVENING OF THE FIFTH SESSION OF THE UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Ms. ABZUG. Mr. Speaker, I rise today to note that the 150-nation Law of the Sea Conference resumes its negotiations at the United Nations Headquarters in New York on Monday, August 2, 1976. This is a highly significant international lawmaking process which will attempt to design a treaty to govern over two-thirds of the surface of the Earth—the oceans.

In the area of the deep seabed which is beyond the limits of national jurisdiction there may be as much as $3 trillion worth of potato-shaped polymetallic nodules awaiting commercial exploration and exploitation. Among other matters, it is up to the delegates at the Law of the Sea Conference to determine an equitable and politically feasible manner of processing and allocating the wealth of the oceans: the "final frontier."

I believe that the American delegation is competent and dedicated and I have great faith in their ability to negotiate a just treaty which will both serve the interests of the United States and demonstrate a spirit of the new international economic order of sharing and cooperation.

Mr. Speaker, the negotiations encompassed in the Law of the Sea process represent a microcosm of international relations today. Never before have as many nations with as many differing viewpoints come together in order to achieve a multilateral treaty such as this. I urge the delegates at the conference to proceed with the same vigor and responsibility they have demonstrated in the past.

It is my belief that this August-September session of the United Nations sea law conference will be a "make or break" session in terms of the substance to be negotiated. I look forward to progress and achievement in this complex and important meeting.

BIRTHPLACE OF THE REPUBLICAN PARTY

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. WALSH. Mr. Speaker, in light of the current difference over the actual birthplace of the Republican Party, I want to take this opportunity to make available for all of my colleagues to read, three items of interest which in my judgment qualify the town of Camillus in Onondaga County, N.Y., to stake a very valid claim as the actual birthplace of the Republican Party.

Attached hereto are a newsclipping from the Syracuse Daily Journal of October 27, 1860, another dated June 8, 1894, and a copy of the minutes of the town meeting of Camillus of February 17, 1852 which detail the actual vote for the town offices on the election held January 27, 1852 in the town of Camillus.

You will note that the clipping from the Daily Journal of October 27, 1860 contains the following statement:

We publish below a document which is of peculiar interest at this time. It is, we are quite certain, the record of the very first organization, upon the principles of the present Republican Party, in this country. If there was any earlier organization on the same basis, we have not been able to learn of it.

The article continues:

The town of Camillus, up to the time of the promulgation of the following "Declaration of Independence," had been a Democratic stronghold, and was always relied upon by that party for a majority of from one hundred and fifty to two hundred, over the Whigs. The leading men of both parties in the town became dissatisfied with the position of their respective parties, and on consultation, the following call was agreed upon, signed, printed, and generally circulated. Under it a ticket for town officers was nominated, and it was elected with very little opsition to two or three of the candidates only . . .

The article lists the call for the meeting as follows:

Those of you who are opposed to the Fugitive Slave Law—to the Extension of Slavery over Free Soil—to the admission of any more Slave States, and are disposed to waive former political preferences and party predilections, and unite your strength, that your influence may be felt in the cause of Freedom and Humanity, are cordially invited to meet with us at Rowe's Hotel, on the 27th of January instant, at 7 o'clock P.M., to

nominate officers to be elected at the next town meeting.

This call was signed by three hundred and forty-two electors of the town. Of this large number for a town of the population of Camillus, all but thirty-eight, who have either died, removed or back-slidden, continue to act with the Republican party.

A copy of the "Declaration" was placed in the hands of that veteran in the cause of Liberty, Joshua R. Giddings, at the Republican Mass Meeting at Camillus on Thursday. He was extremely gratified to see this evidence of independence and correct political action, antedating the formal organization of the present Republican party by over two years, and in his speech he made a generous acknowledgement of his feelings of gratification at meeting the friends of the cause of Liberty at the place of the very early organization of the Republican party.

Additionally, the article which appeared in the Syracuse Daily Journal on Friday, June 8, 1894, stated "This was the first Republican political meeting in the United States, and preceded the national organization by 3 years."

There appears little doubt that the name "Republican" was adopted in Ripon, Wis., in 1854 as was determined by the Republican Convention in 1952 and subsequently published in their history records, but the principles of that party were clearly indicated in the declaration calling for the citizens to meet at the Rowe Hotel.

In my judgment the principles of the party are far more important than the actual name, and the birthplace of the Republican Party should therefore be established as Camillus, N.Y., January 27, 1852.

The articles and minutes follows:

[From the Syracuse (NY) Daily Journal, Oct. 30, 1860]

LOCAL AFFAIRS

Judge Culver, one of the best Speakers in the Union will speak in Syracuse, at the City Hall, Tuesday evening, Oct. 30, 1860. A portion of the Hall will be reserved until 7 o'clock for the ladies.

The First Republican Organization—An Interesting Item of Political History.

We publish below a document which is of peculiar interest at this time. It is, we are quite certain, the record of the very first organization, upon the principles of the present Republican party, in the country. If there was any earlier organization on the same basis, we have not been able to learn of it.

The town of Camillus, up to the time of the promulgation of the following "Declaration of Independence," had been a Democratic stronghold, and was always relied upon by that party for a mjority of from one hundred and fifty to two hundred, over the Whigs. The leading men of both parties in the town, became dissatisfied with the position of their respective parties and on consultation, the following call was agreed upon, signed, printed, and generally circulated. Under it a ticket for town officers was nominated, and it was elected with very little opposition to two or three of the candidates only. David Allen Munro (former Democrat) was elected Supervisor, and the other officers were divided between the two old parties. From that day to this, Camillus has been a sound Republican town, at every general election contributing handsomely to the sum total of Republican majorities in Onondaga county. The "Declaration" read as follows:—

PUBLIC SENTIMENT

To the Electors of the Town of Camillus:

Those of you who are opposed to the Fugitive Slave Law—to the Extension of Slavery over Free Soil—to the admission of any more Slave States, and are disposed to waive former political preferences and party predilections, and unite your strength, that your influence may be felt in the cause of Freedom and Humanity, are cordially invited to meet with us at Rowe's Hotel, on the 27th of January instant, at 7 o'clock P.M., to nominate officers to be elected at the next town meeting.

Camillus, January 2d, 1852.

This call was signed by three hundred and forty-two electors of the town. Of this large number for a town of the population of Camillus, all but thirty-eight, who have either died, removed or backslidden, continue

A copy of the "Declaration" was placed in to act with the Republican party.
the hands of that veteran in the cause of Liberty, JOSHUA R. GIDDINGS, at the Republican Mass Meeting at Camillus on Thursday. He was extremely gratified to see this evidence of independence and correct political action, antedating the formal organization of the present Republican party by over two years, and in his speech he made a generous acknowledgement of his feeling of gratification at meeting the friends of the cause of Liberty at the place of the very early organization of the Republican party.

The original document was printed at the JOURNAL office in January, 1852, and a number of copies are carefully preserved and highly prized by the signers.

[From the Syracuse Daily Journal, June 8, 1894]

THE REPUBLICAN PARTY

First meeting of the New Party in 1852, in Camillus.

In the Loan Exhibition is a framed placard, containing the call for a new political movement in the town of Camillus, Onondaga county, which took definite form on Free Soil lines, and presaged the organization of the Republican party. This call, under the heading, "Public Sentiment,—To the Electors of Camillus," sets forth that "Those of you who are opposed to the Fugitive Slave law, to the extension of Slavery over Free Soil, to the admission of any more Slave States, and are disposed to waive former political preferences and party predilections, and unite your strength that your influence may be felt in the cause of Freedom and Humanity, are cordially invited to meet with us at Rowe's hotel, on the 27th day of January inst., at 2 p. m., to nominate officers to be elected at the next town meeting.—Camillus, Jan. 3, 1852." Signed by D. A. Munro, J. M. Munro, Wheeler Truesdell, M. W. Lyon, D. L. Pickard, E. Marks, D. C. LeRoy, C. B. Wheeler, John Truesdell, Daniel, J. B. and L. B. Bennett, and 342 well-known citizens of that town, few of whom are now living. This was the first Republican political meeting in the United States, and preceded the National organization by three years. The town ticket nominated by the caucus above held, was elected, David Allen Munro heading it for supervisor. The next year, James M. Munro was nominated from the growth of this movement, elected to the State Assembly and re-elected the next year. He was the sole Free Soil member in those years. Mr. Munro, now a resident of Frankfort, Kas., is here to attend the Centennial, and he tells The Journal that he had no difficulty in taking care of the voice and vote of his party.

The men and methods enlisted in the movement afterwards played a large part in the politics of Onondaga county. Wheeler Truesdell was elected County Treasurer, Enoch Marks was Salt Superintendent, and others held important positions of trust and responsibility.

MINUTES

At the annual town meeting held in and for the town of Camillus at Rowe Hotel February 17, 1852 the following officers were voted for with the following results:

Supervisor:	*Votes*
David A. Munro received	395
Jerry received	1
Crayton B. Wheeler received	4
Town Clerk:	
Wilson R. Cooper received	331
Crayton B. Wheeler received	81
Justice of the Peace:	
Homer A. Richmond received	323
Isaac G. Parker received	81
Henry McDowell received	1
Town Superintendent:	
Edwin R. Harmon received	402
Collector:	
John G. Kimberly received	337
John W. McCracken received	64
Harry Fauchon received	4
Assessor:	
Lewis B. Bennett received	400
Thomas Dorsey received	1
Commissioner of Highways:	
Daniel H. Horams received	329
John C. Munro received	76

TRIBUTE TO JESSE M. MARKEL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. WOLFF. Mr. Speaker, it was with deep sadness that I learned yesterday of the death of a dear friend and outstanding civic leader, Jesse M. Markel.

I knew Jesse for a number of years and considered it an honor to claim him as a friend. He lived not only a full and active life, but one wholly devoted to bettering our community and country.

A resident of Great Neck, N.Y., Jesse Markel was probably one of the best known and repected members of the community. Among his many achievements, he was a founder and past president of the Great Neck Chamber of Commerce, a former park commissioner of the village of Great Neck Estates, a charter member of the Great Neck Rotary Club, a past director of the Great Neck Civil Defense, an active member of the Great Neck Senior Citizens Center and past president of the Great Neck Republican Club. Jesse Markel truly deserved the honor of being named "Mr. Great Neck"—perhaps the highest recognition the community could bestow on any resident.

Jesse worked tirelessly to upgrade the quality of life for North Shore, Long Island residents. For example, he was one one of the original planners of the very excellent North Shore Hospital on Long Island. Jesse Markel's sense of community devotion extended as well to the country as a whole. He served in both World War I and World War II. He was a retired captain in the New York National Guard, a life member of the American Legion and a member of the New York Society of Military and Naval Officers of World Wars.

This remarkable man also left his mark in the business community. A sales executive with the Universal Match Co. until his retirement in 1960, Jesse served as past president of the Merchants and Salesmans Clubs of Brooklyn. He was also a member of the Stepping Stone Lodge of the Free and Accepted Masons

and a member of the Great Neck Elks Club.

Although Jesse and I did not share the same political registration, our friendship was grounded on the far more enduring principles of trust, respect and devotion. I will deepy miss Jesse Markel, and my heartfelt sympathy goes out to his dear wife, Frances, his children, Carl, Judith, and Ellen and his grandchildren.

REVIVAL OF THE RURAL WEEKLY NEWSPAPER

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. LONG of Louisiana. Mr. Speaker, the growth of rural America's population relative to the Nation is of particular interest to me and to many of my colleagues. Overcoming the financial instability of the past, mainly caused by an inadequate circulation, rural weekly newspapers are growing in number with the increasing rural population. My friend, Joe Lucia, is one of the many dedicated men and women who are reestablishing the weekly newspaper in rural America. The unique style of the weekly is an important part of our American heritage, and I am glad to share with you this article about a community leader who has proven that the rural weekly is a highly respected journalistic endeavor. The article from the June 9, 1976, edition of the Enterprise of Vacherie, La., follows:

LUTCHER'S JOE LUCIA, AWARD-WINNING JOURNALIST

One of Lutcher's quietest citizens is also one of its most respected and influential. Joseph A. Lucia has been in journalism for 40 years, most of which have been lived in his town of Lutcher. Today Joe is the publisher of L'Observateur, the east bank's largest and most prestigious weekly and is chief of the Times-Picayune upriver Bureau.

Joe (as he encourages everyone to call him) graduated from Lutcher High in 1931 and from Tulane in 1936. He served as editor of The McComb Daily Journal in 1936 and 1937 before joining The New Orleans Times-Picayune. After a short term as a general assignment reporter, he spent the next twenty-seven years with The Picayune on the police beat covering what Joe calls "just about every kind of crime imaginable". He was involved in the reporting of many major stories. Probably his biggest scoop came in 1953 when he and his associates uncovered the police burglary ring that had been operating in New Orleans for some time. The story, one of the major crime stories in New Orleans history, resulted in the dismissal of over 100 policemen. The dismissed officers had developed a system in which safecrackers would be taken out of prison and planted in stores which the police would then "guard". If an alarm went off, the unit would radio headquarters that everything was being taken care of. And so it was, sort of.

In 1949 Joe bought L'Observateur, often called the L'Obster, for $6,250. It had a circulation of 250 and printed four pages. Today the L'Obster has a circulation of 5,600 and fifteen full time employees and averages 38 pages per week. It is unlikely that Joe would sell it even if offered 100 times what he paid for it.

Before acquiring L'Observateur, Joe had published The St. Jamesian for two years. Unfortunately, this slick-paper magazine, which concentrated on local stories, was ahead of its time. Advertising revenue did not equal the praise and public acclaim the magazine drew and it was forced to cease publication.

Mr. Lucia has received many awards and has had many honors bestowed upon him. He is one of only three people ever named an Honorary County Agent by the LSU Cooperative Extension Service, receiving the award in 1973. He is the reigning champion of the Louisiana Press Association since 1970 and regularly beats other publishers. The Clarion-Herald, journal of the Catholic archdiocese of New Orleans, has named him to its Lay Advisory Committee. The City of New Orleans has made him an honorary citizen and the city's police department has made him an honorary captain. Last year his newspaper was judged the second best weekly in the state for journalism excellence and won first place among weeklies in sports coverage and in weeklies edited by women (Jeanette Brock was editor at the time. Edith Vicknair is now).

Joe is married to the former Eula Vedros of Lutcher. Their two sons, "Tardy" and Ellis, are active in the management of L'Observateur. The Lucias also have a daughter, Patricia.

Joe is a director of First Pontchartrain Savings and Loan Association and a member of Gramercy Council 1817, Knights of Columbus. He was instrumental in the establishment of the LaPlace Andouille Festival some years ago. Every civic and service organization in St. John Parish has honored him for meritorious public service at one time or another.

"One of the things I enjoy most," says this veteran journalist, "is meeting Vacherie and St. James residents I've known since the days I took their wedding pictures while I was doing commercial photography as a sideline in the forties and fifties. Many of them are grandparents now but almost invariably the first thing they say is 'Our wedding pictures are still in excellent condition and we always enjoy looking at them.' "

"People also say they wish we'd still be doing The St. Jamesian. I still get requests for copies, though I've long since run out."

"Public support is absolutely essential to the survival of a local newspaper. If people want a hometown paper—and they do—they have to back it up. That means that they have to encourage local stores and banks to do their advertising in the community paper. Lots of these businesses talk about community spirit, but when it comes time to really participate and do, you don't see them around. Fortunately, the L'Obster has had fine community backing. I hope The Enterprise will too. In fact, if you keep up the good work, I know you will."

Joe Lucia has the kind of pleasant personality we all wish we had. And he has the kind of newspaper The Enterprise would like to be. So, to a man who's usually embarrassed by compliments, we'll offer only one more: if The Enterprise can ever be as good as L'Observateur is, we'll be very proud.

FEA'S TIME RUNS OUT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mrs. SCHROEDER. Mr. Speaker, today the Federal Energy Administration once again faces its last day on Earth. It appears, in fact, that it will die this time—if for a short period—despite the limitless efforts of Mr. Ford and Mr. Zarb to keep it alive.

In 2 months time the House and Senate have not been able to iron out their differences over the radically different FEA extension bills they have passed. I suggest the reason for this impasse is simply the faulty principle that the House and Senate bills represent—that the FEA should exist. A diseased Christmas tree would not look good no matter how much decoration is placed on it.

I expect, of course, that some day the conferees will bring back a conference report on H.R. 12169, the bill known as the FEA renewal bill, but which we may now rename the FEA resuscitation bill. But in the meantime, I suggest that my colleagues ponder a few of the realities which I predict for tomorrow:

Tomorrow, there will be no FEA, but the world will still go around.

Tomorrow, there will be no FEA, but our Nation will still function.

Tomorrow, there will be no FEA, and the energy ant will be back in its subterraneum home.

Tomorrow, there will be no FEA, and some energy poobahs would not be on the executive schedule.

Tomorrow, to boot, the citizens of this Nation will have one less bureaucracy intent on expanding its own dominion to grab at their tax dollars.

DECLARATION OF INTERDEPENDENCE FOR THE BICENTENNIAL YEAR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. McDADE. Mr. Speaker, I would like to share with my colleagues the moving message of Dr. Ann M. Ackoury, executive vice president of Cumberland College, Tennessee, in her commencement address to the graduating class of Marywood College in Scranton, Pa.

These inspiring remarks entitled the "Declaration of Interdependence for the Bicentennial Year" are timely reflections on the changing values of our society and the effect of these changes on our system. The remarks are extremely appropriate for our Bicentennial period as they leave us with the hope and understanding necessary for our progress through the next 100 years.

This outstanding presentation was so well received on its delivery at Marywood College I would like to insert the text of this speech into the RECORD for the benefit of my colleagues and hope that they are as impressed with its meaning as I am:

DECLARATION OF INTERDEPENDENCE FOR THE BICENTENNIAL YEAR

Women and men of the graduating class, let me extend to you, to yours, and those of the entire College, my congratulations. This ceremony for which we have assembled commemorates the termination and commencement of significant phases of your life.

It has been said that it is the nature of God, our Creator, to offer new beginnings to all of His creatures, for life is a series of

beginnings. So it is on this occasion of beginnings that all who know you share in your sense of accomplishment, pride, and commitment.

Two centuries ago our forefathers experienced accomplishment, pride, and commitment when they brought forth a new nation. In this historic year of 1976, it is fitting that all of you graduates who will also forge new beginnings acknowledge the new challenges that confront you, and commit yourselves not to a declaration of independence but to a declaration of interdependence.

The evidence for interdependence is totally on the side of such a declaration. There appear to be few, if any, cardinal problems facing our country today and, indeed, the world that are not global in their extensions—for that matter, their solutions. Having studied the arts and sciences you can compile such a list that includes the: economy, population, pollution, freedom, food, space, trade, energy, peace, crime, human rights, drugs, security, communication, education, and health.

Justice Oliver Wendell Holmes summed up the human dimensions of sharing and working together when he said,

"I think that as life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived."

Today as you have completed your baccalaureate days here, you have learned that the energy problem, for example, that makes all of America move, or be lighted, heated and mechanized will depend on sources outside the United States. And you have also realized that fourteen basic metal resources that we need for national production will come mainly from other less developed nations.

And if we look back to the early days of this country's graduates we find that nearly half of the fifty-six who participated in the debates that shaped our Declaration of Independence and later our government, made reference to future interdependence. Coincidentally, six of the seven signers: Jefferson, Richard Henry Lee, Harrison, Wythe, Braxton, and Nelson were products of such learning that you at Marywood have come to call the liberal arts. Others such as Benjamin Franklin, by tutor or by their own efforts, developed an acquaintance with the classics of the Western World as you, too, have done at Marywood. These individuals, as I am sure many of you have, read in the Hellenic and Judaeo-Christian literature, philosophy, politics, and theology. With that background they conceived and embodied in our customs and our laws a respect for each other's dignity and worth and gave us our basic freedoms. In a Bicentennial year, especially, it is interesting to reflect what the men imbued with the type of education foundation you have received were able to accomplish.

In view of the historic relationship between the character and type of education obtained by the college graduate of 1776, and that of the 1976 Marywood College graduate one of the most fateful issues arises before each individual in this year's class: What will America be because of me? What will the Tricentennial be as a result of my having passed this way?

What are each of you thinking now that you have heard these critical questions? Are you reminded of Robert Frost's:

Two roads diverged in a wood, and I—
I took the one less traveled by,
And that has made all the difference.

Or are you asking yourself: Will I marry or will I choose some other form of "family" life? How do I want to live? In a hundred thousand dollar home in the suburbs with a Cadillac or Rolls Royce in the garage? Or in a condominium or townhouse in the city with a Volkswagen parked at the curb?

Or, are you querying in other areas—areas that affect all of us working and living on this Planet? John Stuart Mill wrote in his autobiography:

"Those only are happy . . . who have their minds fixed on some object other than their own happiness; on the happiness of others, on the improvement of mankind."

If you share this philosophy perhaps some of these questions come to your mind. What changes do we want to see in city, state, and federal governments? What are the best ways to solve our energy problems? Should our businesses be more or less regulated by government? How should our physical world be altered—should we live underground or in a plastic bubble? What major sports would we like to see—three-dimensional chess or electronic billiards?

It probably appears obvious to you at this point that the winds of unity are blowing and that all of us need no longer visualize society exactly as we do. Barbara Ward elucidated this vision best when she asked: "Can we not at such a time realize the moral unity of our human experience and make it the basis of a patriotism for the world itself?"

Back in 1776, as in 1976, we realize that independence, or for that matter, interdependence will not be an immediate answer to our questions or to the world's ills. Rather, a declaration of interdependence is an opportunity for each of you before you accept your diploma to reaffirm in your heart your interdependence not only with Marywood College, with one another, but with all of us.

In this Bicentennial year, this declaration signifies a common humanity, shared hopes, dynamic teamwork, and a common vision of the task facing us: to achieve human dignity and all that makes for the good life together.

As you have come to realize a graduate that has emerged as a member of an interdependent nation in the thermonuclear and space age cannot expect to have the same horizons of hope that beckoned the graduate during the founding stages of this country. However, there are to be found some commonalities. A striking one can be heard from James Madison and Alexander Hamilton when they stated in *The Federalist Papers* that historic principles transcend the size and complexity of the case at hand. What they meant was the larger the problem, the more pertinent the principle. So, too, with our interdependence declaration.

The pertinence to which Madison and Hamilton referred is not just in the comprehensiveness of our mission but in the setting of values for our times. Values are the visible, workable provinces for implementing a declaration. No human being can really comprehend or practice the significance of his own life or the complex world in which he lives or maintain any sense of order in his personal or social existence without a commitment to some set of values. Marywood College has assumed some of the responsibility for helping you to clarify your values by organizing the corpus of knowledge to illuminate them.

As a result you can be likened to a symphony—one destined to be life-long with different moods and a variety of tempos—with sharps and flats—harmonies and discords—but ultimately a unified symphony that has as its theme: Exodus. Exodus—a going out—not just going out from Scranton or from Marywood—but a continuous going out of self in order to reach another. You have come to learn that only by leaving self can one truly find oneself in another and find fulfillment in that other. Seneca elucidated this interdependent relationship among human beings and between their knowledge and values when he reflected, "What good is there for me in knowing how to parcel out a piece of land if I know not how to share it with my brother?"

In making this declaration you must be realistic and mindful that you might encounter pitfalls and unhappiness during its implementation. Do not become dismayed. Remember psychologists and historians still continue to find threads of failure running through peoples' lives. You yourself have already experienced these vicariously in novels such as *Moby Dick* and plays such as *Death of a Salesman*, in photographs of dismal tenements and sweatshops, in the laments of Negro spirituals, and in statistics on infant mortality, and adult violence. This continuous current of frustration is found to course below the incessant rush of people toward power and riches. Walt Whitman, the Poet Laureate of American energy and thrust, in *Facing Westward from California Shores*, captured this frenzy that has probably puzzled you when he wrote the Epilogue:

"Where is what I started for so long ago?
"And why is it yet unfound?"

We who have come to your graduation today believe you have found the answer to Whitman's Epilogue. You have educed from your scholarly findings your nature and your destiny. And so we place our trust in your commitment to a declaration of interdependence as you prepare to move into fields of new endeavor and contribute to the good life so those who live now and those who will be destined for the Tricentennial will know you were once here. Though you have the prerogative to be complacent at this moment in your life we know you will not be so nor will you have to be reminded in the manner Anton Chekhov suggested:

"There ought to be, behind the door of every happy, contented man, someone standing with a hammer, continuously reminding him with a tap that there are unhappy people."

In a matter of minutes, how, you will receive your diploma—a symbol not only of your diligent study but of the great faith placed in you by your family, your professors, your administrators and staff, and your friends. They have grasped the timeless and timely importance of your obtaining a college degree, and if you were to ask them why, they would probably say something to the effect:

"We know that if we work upon marble; it will perish; if we work on brass time will efface it; if we work with men (mankind) and imbue them with principles, we engrave on those tablets something that will brighten lives for all eternity." (Daniel Webster)

CONFERENCE REPORT ON TRANSPORTATION APPROPRIATIONS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. BIAGGI. Mr. Speaker, I rise to bring to the attention of my colleagues the latest report of the National Oceanographic and Atmospheric Association indicating that 970 foreign vessels were sighted in June within 200 miles of our shores. This is a significant increase over the month of May when 928 ships fished our waters.

In the conference report on transportation appropriations soon to be voted on by this body $10 million has been allotted for the operation of the enforcement task force. An additional $70 million was set aside to purchase the necessary equipment to undertake this gargantuan task.

Foreign vessels net millions annually from the fish and crabs taken directly

off our shores. This is money that could be flowing into the United States to create new jobs and tax revenues. These profit seeking companies will not easily be deterred. Clearly we need funds to adequately enforce the 200 mile limit just passed by Congress. Such an expanse of ocean is a staggering area to protect, and Coast Guard enforcement funds should match the magnitude of the task.

We must effectively enforce this law or we will face a dual problem. We will appear unable or unconcerned about the laws we pass and we will continue to have this scarce resource depleted to our serious economic and ecological disadvantage. I urge my colleagues' support for the conference report, when it comes to the floor, and for the Coast Guard's enforcement efforts beginning next year.

LAW OF THE SEA CONFERENCE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. McCLOSKEY. Mr. Speaker, on Monday, August 2, the Third United Nations Conference on the Law of the Sea will reconvene in New York for a 6-week session running through September 17.

A great deal is at stake.

The basis for negotiation will be the revised single negotiating text issued on the last day of session which ended May 7. This 400-plus article text represents a remarkable achievement and a credit to the 156 nations now participating. The several issues remaining unresolved are complicated and difficult.

The leader of the U.S. delegation, Ambassador T. Vincent Learson, was very candid in his testimony before the Committees of Congress in his evaluation of those issues; they will require long and difficult negotiations before they can be resolved.

In my judgment, however, Mr. Speaker, with patience and skill, they can be resolved. After observing the abilities and dedication of the U.S. delegation at the last session, I am convinced that our negotiators have the ability and will to exhaust every reasonable approach in efforts to achieve a treaty. If they are unable to resolve all or nearly all of the remaining problems by September 17, it is possible that the entire 6 years of sustained effort will fall apart. Certainly, if the terms of all but one or two disagreements are not resolved by September 17, the Congress will be forced to move rapidly with unilateral deep seabed legislation shortly after the 95th Congress convenes next January. I am attaching a tentative rough draft of such legislation for consideration by our colleagues as they monitor the progress of the New York session during the coming weeks. I believe that this tentative draft which I am submitting represents a more logical alternative approach than the legislation which was reported out by the House Oceanography Subcommittee last March 17.

I would like to make one other comment at this point, in response to recent criticisms of the U.S. administration and our Law of the Sea delegation from at least one well-meaning and usually well-informed source, former Ambassador John Norton Moore.

In this particular case, I believe Mr. Moore is wrong in suggesting that the U.S. effort is poorly coordinated and lacking in strong leadership and support from the White House and Secretary of State. This may have been the case some months ago, but at least since March of this year, I have been personally cognizant of the strong personal involvement and commitment of both President Ford and Secretary of State Kissinger. The administration has given the U.S. negotiators firm backup, both logistically and in policy direction. While coordination of U.S. oceans policy remains a difficult problem of continuing examination and review, the various cabinet offices and agencies have been extremely successful, in my judgment, in facing their internal conflicts squarely and candidly, and with a loyal acceptance of the compromises ultimately reached. Ours is an open check and balance system of government under law, and within that context, our clarity of decision and force of implementation have proven at least, equally as effective in the long negotiations from Caracas to the present time as the counterpart decisions and actions of the various totalitarian bureaucracies with whom we are negotiating.

As I said before, a great deal is at stake. We will probably have no greater opportunity to achieve world peace through world law during the next several years than in the negotiating sessions of the next 6 weeks.

I personally believe that our delegation which includes Vincent Learson, Bernard Oxman, Leigh Ratiner, Otho Eskin, Tom Clingan, Terry Leitzell, Louis Sohn, Howard Pollock, Roz Ridgeway, Morris Busby, Charles Minter, Stu French, Max Morris, Glenn Young, Kay McKeough, and the others form as good a negotiating team as this country can produce.

Secretary Kissinger's speeches at Montreal last August and in New York this April, indicate a clear and sound U.S. policy. That Secretary Kissinger has been personally named by the President to head the effort at this most crucial session now commencing is indicative that any former lack of White House concern has long since been remedied.

In conclusion, Mr. Speaker, I think we can be confident that if a treaty is achievable at all, our U.S. delegation is capable of achieving it. If not, we will shortly be forced with the disappointing challenge of devising a congressional substitute for what could be one of the great steps forward in the history of mankind's long search for peace under law.

A tentative draft of possible deep seabed legislation is attached. I sincerely hope we will never have to consider it.

H.R.—

A bill to authorize the Secretary of Commerce to establish a program to encourage the continued development of the requisite technology to allow future mining of the deep seabed in accordance wtih the anticipated adoption of an acceptable international regime therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Deep Seabed Mining Technology Development Act."

TITLE I—STATEMENT OF POLICY AND PURPOSES

STATEMENT OF POLICY

SECTION 101. (a) The Congress finds—

(1) That the economic well being of the United States and the world is directly related to an adequate supply of raw materials.

(2) That the abundant mineral resources of the deep seabed beyond the limits of national jurisdiction are the common heritage of all mankind and as such should be exploited to increase supplies of raw materials for the benefit of all mankind.

(3) That the increasing complexity of the world's problems requires the nations of the world to become more interdependent, consequently the exploitation of the mineral resources of the deep seabed should be conducted in cooperation with all the nations of the world, each recognizing the legitimate interests of the other.

(4) That the emerging Law of the Sea Treaty is an important advancement in international cooperation and its ultimate ratification is in the best interests of the United States as well as the rest of the world. Therefore, no country should take any action which may jeopardize that outcome.

(5) That a comprehensive Law of the Sea Treaty will provide the best climate for investment in the technology necessary to exploit the resources of the deep seabed.

(6) That it is in the best interests of the United States as well as all of mankind that continued development of deep seabed mining technology be encouraged during the negotiation of a comprehensive Law of the Sea Treaty to allow the exploitation of deep seabed minerals as soon as possible after the establishment of a satisfactory international regime regulating such exploitation.

(7) That the United States mining industry leads the world in the development of the technology necessary to mine the deep seabed.

(8) That it is in the best interests of the United States from both a tax revenue and a balance of payments perspective to encourage our domestic industries to continue development of deep seabed mining technology to allow the United States to be the world's leader in deep seabed exploitation when a satisfactory international regime is established regulating such exploitation.

(9) That the continued development of technology by private United States industry requires that the policies which will be followed in the near future be set out as clearly as possible to allow capital investment risks to be considered when investment decisions are made.

(10) That continued development of deep seabed mining technology should not be undertaken if significant adverse environmental impact will result from such development.

(11) That deep seabed mining should not commence until a rigorous examination of its environmental impact is completed and it has been determined that mining will not have a significant adverse environmental impact.

(12) That deep seabed mining should not continue if adverse environmental impacts result.

PURPOSES

SEC. 102. (a) The Congress declares that the purposes of this Act are—

(1) To encourage the continued development of deep seabed mining technology by United States industries without jeopardizing the international spirit of cooperation necessary to conclude an acceptable comprehensive Law of the Sea Treaty.

(2) To allow the exploitation of the resources of the deep seabed to commence as soon as possible after an acceptable international regime for such exploitation is in place.

(3) To establish the domestic programs which will be followed before and after an acceptable international regime managing the exploitation of the resources of the deep seabed is in place to allow technological development to continue in reliance on specific policies.

(4) To insure that all deep seabed mining technology development activities are conducted in accordance with strict environmental standards to prevent any significant adverse impacts on the marine environment.

TITLE II—DEEP SEABED MINING TECHNOLOGY DEVELOPMENT COMMISSION

ORGANIZATION OF THE COMMISSION

SEC. 201. (a) There is hereby established a Deep Seabed Mining Technology Development Commission. The members of the Commission shall be the Secretary of Commerce, the Secretary of the Interior and the Secretary of the Treasury. The Chairman of the Commission shall be the Secretary of Commerce. The Commission shall utilize the facilities and staff within the Department of Commerce to coordinate the activities of the existing Deep Seabed Mining programs in the Departments of Commerce, Treasury and Interior and to carry out its duties in accordance with the provisions of this Act.

DUTIES OF THE COMMISSION

SEC. 202. (a) The Commission shall examine the applications of persons for eligibility for financial incentives under Title III of this Act. Title III financial incentives are available to qualified applicants proposing qualified projects for the purpose of encouraging investments in the development of the technology necessary to mine the deep seabed.

(b) The Commission shall develop a high level of expertise in the areas of deep seabed mining technology and economics to allow it to comprehensively evaluate application for Title III program to ensure that the applicants and proposed projects are qualified.

(1) Before an applicant for the Title III program can be considered qualified he must demonstrate to the satisfaction of the Commission in his application:

(i) that he has tendered a fee to the Commission in an amount estimated to equal the Administrative and other costs of processing the application;

(ii) that he is financially responsible and can complete the proposed project;

(iii) that he is a United States citizen;

(iv) that he will locate all plants for processing ocean mineral resources in, or on, a place subject to the jurisdiction of the United States;

(v) that he will utilize United States-flag, United States built, and United States citizen manned vessels exclusively in his operations: and

(vi) that he is willing and able to comply with all applicable laws and regulations.

(2) Before a proposed project can be considered qualified for the Title III program the applicant must demonstrate to the satisfaction of the Commission in his application:

(i) that the proposed project will advance the development of the technology necessary to mine the deep seabed;

(ii) that the proposed project not unreasonably interfere with other reasonable uses of the high seas, as defined by any treaty or convention to which the United States is signatory, or by customary international law;

(iii) that the proposed project will not conflict with any obligations of the United States, established by treaty or other international agreement; and

(iv) that the proposed project will not pose an unreasonable threat to the integrity of the marine environment and that all precautions will be taken to minimize any adverse impact on that environment.

(c)(1) The Commission shall promulgate appropriate rules and procedures to be followed by applicants to the Title III program to ensure that applications are accompanied by sufficient technical, financial and other data necessary to allow a thorough evaluation of the application.

(2) The Commission shall not disclose information obtained by them under this subsection which concerns or relates to trade secrets or other confidential matter referred to in Section 1905 of Title 18, United States Code.

(3) Nothing contained in this subsection shall be construed to require the release to the public of any information described by subsection (b) of section 552 of Title 5, United States Code, or which is otherwise protected by law from such release.

(4) Any specific information required to be furnished to the Commission under this Act and which is not otherwise protected from disclosure under paragraph (2) and (3) of this subsection may not be released outside the Government and may be disclosed within the Government only on a need to know basis.

(d)(1) Within thirty days after receipt of an application, and prior to the granting of approval of an application, the Commission shall publish in the Federal Register a notice containing a summary of the application and information as to where the application and the available supporting data may be examined allowing interested persons at least sixty days for the submission of written data, views, or arguments to the granting of approval. The Commission shall utilize such additional methods as it deems reasonable to inform interested persons and groups about the application and to invite their comments thereon.

(2) The Commission's decision granting or denying approval of an application shall be in writing and shall be made within sixty days following receipt of all views. The Commission shall grant approval when it finds that the application, as submitted, or as modified, meets the requirements of this Act and the rules and regulations promulgated hereunder.

(3) Judicial review of the Commission's decision shall be in accordance with sections 701 through 706 of Title 5, United States Code.

(e)(1) The Commission shall ensure that all applications contain environmental impact statements conforming to the criteria established in Section 4332 of Title 42 United States Code.

(2) The Commission shall propose additional requirements as necessary to ensure that the quality of the marine environment is protected. In implementing this section, the Commission shall take into account the environmental standards and potential impact of the technology development activities as identified by the Secretary of Commerce in accordance with his responsibilities under Title IV of this Act.

(f) The Commission is authorized to issue such reasonable rules and regulations as may be necessary to implement the provisions of this Title.

TITLE III—FINANCIAL INCENTIVES

INVESTMENT TAX CREDIT

SEC. 301. (a) Upon approval of an application by the Commission a qualified applicant will be eligible for an investment tax credit for all investments made in accordance with the proposed qualified project described in the application, subject to the following conditions:

(1) The following percentages of all capital investments in depreciable property will be considered a credit against future U.S. income taxes assessed against the profits derived from the future exploitation of the minerals of the deep seabed.

(i) for 1977, (50%)

(ii) for 1978 (40%)

(iii) for 1979, (30%)

(iv) for 1980, (20%)

(v) for 1981, (10%)

(2) The person receiving the financial incentives under this Title maintains his qualified applicant status.

(3) The project described in the application approved by the Commission remains qualified for financial incentives.

(4) While the technology developed as a result of a program receiving financial incentives under this Title is the property of the person conducting the development program, the United States has a first option to obtain a proprietary right to the technology if it is offered for sale or trade to another person.

(5) The United States has a first option to purchase at fair market value any minerals derived from the deep seabed as a result of the research and development encouraged by this Act when commercial production commences.

(6) That these tax credits will be allowed to be used for 10 years after commercial production commences.

(7) That this increased tax credit program expires on January 1, 1982.

TITLE IV—DUTIES OF THE SECRETARY OF COMMERCE

ADMINISTRATIVE DUTIES

SEC. 401. (a) The Secretary shall establish a division within the Department of Commerce to coordinate all deep seabed mining activities in the other branches of Government. This division shall provide the administrative and staff support services for the Commision.

(b) The Secretary shall act as Chairman of the Commission and is responsible for the achievement of its objectives. A report on the activities of the Commission shall be prepared by the Secretary and delivered to Congress by January 1 each year. This report shall include any recommendations for additional legislation as deemed necessary.

(c) The Secretary is authorized to issue such reasonable rules and regulations not in conflict with those rules and regulations issued by the Commission as may be necessary to carry out the provisions of this Act.

(d) After the Commission determines that an applicant is qualified and eligible to receive financial incentives under Tile III of this Act the Secretary shall be responsible to ensure that all rules and regulations promulgated pursuant to this Act are complied with, the applicant and project continuously maintain their qualified status, and that all environmental standards are complied with.

ENVIRONMENTAL DUTIES

SEC. 402. (a) The Secretary, in coordination with the Administrator of the Environmental Protection Agency, the Commission, and other appropriate Federal agencies and departments, shall establish environmental standards, to which all technology development projects conducted pursuant to this Act must adhere. These standards shall be based to the maximum extent practicable on the best available technical and scientific data. If such data is unavailable, inconclusive, or incomplete the Secretary shall conduct any operations which may be necessary to collect data and establish environmental standards in order to carry out the provisions of this Act.

(b) Within 90 days of the enactment of this legislation and as necessary thereafter as better data becomes available, the Secretary shall publish in the Federal Register a notice containing a summary of the environmental standards to be enforced and information as to where the standards and supporting data may be examined allowing interested persons at least 60 days for the

submission of written data, views, or arguments with respect to their establishment. The Secretary shall also utilize such additional methods as deemed reasonable to inform interested persons and groups of the proposed standards and to invite their comments thereon. All comments received shall be considered when promulgating new standards or carrying out the provisions of this Act.

TITLE V—MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 501. For the purposes of this Act—

(a) "Secretary" means the Secretary of Commerce.

(b) "deep seabed" means the seabed and the ocean floor and subsoil thereof beyond a series of straight lines connecting fixed points 60 nautical miles from the foot of the continental slope.

(c) "mineral resources of the deep seabed" refers to nodules or accretions on or slightly beneath the surface of the deep seabed, containing, but not limited to, iron, manganese, nickel, cobalt, and copper.

(d) "Deep Seabed Mining Technology Development" means the development of the systems and processes necessary to mine and process the mineral resources of the deep seabed.

(e) "mining" or "exploitation" means the collection of the mineral resources of the deep seabed at a substantial rate of production, for the primary purpose of marketing or commercial use but does not include recovery for sampling, experimenting in recovery methods, or testing of equipment or plant for recovery or treatment of minerals.

(f) "Commission" means the Deep Seabed Mining Technology Development Commission.

(g) "United States citizen" includes; associations, corporations, or other entities duly organized under the laws of the United States, or its States, territories, or possessions; and any officer, employee, agent, department, agency, or instrumentality of the Federal Government, or of any State or local unit of government.

(h) "qualified applicant" means a United States citizen who meets all requirements as may be prescribed by the Commission or the Secretary.

(i) "qualified project" means a proposed system or plan which will advance the technology necessary to mine and process deep seabed minerals which meets all requirements as may be prescribed by the Commission or the Secretary.

(j) "person" includes private individuals, associations, corporations, or other entities, and any officer, employee, agent, department, agency, or instrumentality of the Federal Government, of any State or local unit of government, or of any foreign government;

NONDISCRIMINATORY TREATMENT

SEC. 502.—For purposes of export controls, customs laws, tax laws of the United States with the exception of the investment tax credit provisions, and section 27 of the Act of June 5, 1920, including all the applicable implementing regulations thereof, all hard minerals recovered from the deep seabed under a qualified project entered into pursuant to this Act by a qualified applicant shall be deemed to have been recovered within the United States, and such laws, regulations, and controls shall be administered so that there will be no discrimination between hard minerals recovered from the deep seabed and similar hard minerals recovered within the United States.

ASSESSMENT BY INTERNATIONAL REGIME

SEC. 503.—In the event the treaty shall have been ratified and becomes binding upon the United States and provides that the mineral resources of the international seabed area are subject to financial assessments by an international regime, the United States shall allow qualified persons engaging in ocean mining under a qualified project entered into pursuant to this Act to credit against taxes due to the United States all payments made to the international regime in cash or in kind to the extent such payments are calculated on the basis of a portion of the profits acquired by such person and attributabel to ocean mining technology development.

PENALTIES

SEC. 504. (a) Any person subject to the jurisdiction of the United States who violates any provision of this Act, or any rule or regulation promulgated by the Secretary or the Deep Seabed Mining Technology Development Commission pursuant to this Act, shall be liable to a civil penalty of $50,000 for each day during which the violation continues. In determining the penalty to be assessed, consideration shall be given to the gravity of the violation, any prior violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of the violation. No penalty may be assessed until the person charged shall have been given proper notice of the violation involved, and an opportunity for a hearing. For good cause shown, the official imposing the penalty may remit or mitigate any penalty assessed. Upon failure of the person charged to pay an assessed penalty, the Attorney General may be requested to commence an action in the appropriate district court of the United States for collection of the penalty without regard to the amount involved, together with such relief as may be appropriate.

(b) In addition to any other penalty, any person subject to the jurisdiction of the United States who willfully and knowingly violates any provision of this Act, or any rule or regulation promulgated by the Commission or by the Secretary pursuant to this Act, shall upon receipt of proper notice of the violation and an opportunity for hearing, be punished by a fine of not more than $100,000 for each day during which such violation continues.

(c) In addition to any other penalty, any person subject to the jurisdiction of the United States who fails to comply with this Act or the rules and regulations promulgated thereunder, or who receives financial incentives under Title III of this Act through fraud of willful misrepresentation of material facts shall, upon receipt of proper notice of the violation and an opportunity for hearing, be required to pay all taxes which were waived as a result of Title III. In such cases, the appropriate official may allow a reasonable period to remedy the violation except in the case of fraud or willful misrepresentation in which case payments of waived taxes shall be made immediately.

(d) Any vessel, except a public vessel engaged in non-commercial activities, used in a violation of this Act, or of any rule or regulation issued pursuant to section 406 hereof, shall be liable in rem for any civil penalty assessed or criminal fine imposed and may be proceeded against in any district court of the United States having jurisdiction thereof; but, no vessel shall be liable unless it shall appear that one or more of the owners, or bareboat charterers was, at the time of the violation, a consenting party, or privy to such violation.

JURISDICTION OF UNITED STATES DISTRICT COURTS

SEC. 505. United States district courts shall have original jurisdiction of cases and controversies arising as a result of this Act or out of, or in connection with, technology development activities conducted in any area of the deep seabed under the provisions of Title III of this Act, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides, or may be found, or in the judicial district nearest the place where the cause of action arose. This jurisdiction shall extend to vessels conducting technology development under the provisions of Title III of this Act on the high seas.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 506. There are authorized to be appropriated to the Secretary to remain available until expended for the current fiscal year and for each of the two succeeding fiscal years, such sums as may be necessary for the administration of this Act.

CONSORTIA

SEC. 507. In any case of agreement between the United States and foreign entities, with the resulting combination of interests entering into a qualified project under the authority of this Act, the applicability of Title III of this Act shall be limited to the proportion of investment by the qualified person.

EFFECTIVE DATE; SEPARABILITY

SEC. 508. This Act shall take effect on the date of its enactment. If any provision of this Act or any application thereof is held invalid, the validity of the remainder of the Act, or of any other application, shall not be affected thereby.

TASK FORCE ON HOUSE ACCOUNTS REPORT

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. OBEY. Mr. Speaker, a great many Members of Congress have requested additional copies of the task force on House accounts report which was issued on June 22, 1976. I, therefore, insert it in its entirety along with its letter of transmittal at this time:

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 22, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Attached is the Report from the Task Force on House Accounts which you appointed on June 4, 1976.

We hope the report is satisfactory.

Sincerely,

DAVID R. OBEY,
Member of Congress.
LLOYD MEEDS,
Member of Congress.
NORMAN E. D'AMOURS,
Member of Congress.

REPORT OF THE TASK FORCE ON ACCOUNTS

The Task Force on House Accounts was created by the Speaker on June 4, 1976, and was charged with the responsibility of reporting to the Democratic Steering and Policy Committee on how to "rationalize the accounts systems of the House of Representatives, to improve accountability, and to assure both propriety and the appearance of propriety in the administration of House accounts."

That task is as essential as it is difficult.

It is clear to this Task Force that both the accounts system and the process by which that system is established are often confusing, unaccountable and more expensive than necessary.

The existing procedure for establishment of the nature and magnitude of House accounts has encouraged the creation of an independent, unaccountable power center in the House Administration Committee.

The process by which the accounts system

is determined has become a mystery to the public—and to many Members of Congress as well.

The product of that process, a system of 14 separate Member accounts, is not a system at all; it is a rigid, confusing, gerrybuilt hodgepodge which can easily result in unintentional misapplications. It is supposed to meet the legislative needs of 435 separate offices, each charged with representing and providing services to one-half million people.

But because each account was designed to meet all the needs of 435 very different Members and very different districts, it does not adequately meet anyone's needs. The system's inflexibility and multiplicity of forms, vouchers and accounts procedures buries Members' offices and the financial and administrative officers of the House in confusion and needless red tape. Many legitimate official expenses are not covered by the accounts system, and Members of Congress must bear significant out-of-pocket expenses. Yet the system at the same time offers excessive opportunity for abuse; and it costs the taxpayers money!

The recommendations of the Task Force will—we hope—provide the blueprint for immediate corrective surgery and the opportunity for a long-range restructuring of the management system of the House of Representatives. Even though the GAO conducts an annual audit of all of the accounts and disbursements of the Clerk of the House, our recommendations go even further. They will restore accountability, increase efficiency, enhance the public's right to know . . . and they will save money.

HOW WE WORKED

The Task Force arrived at its conclusions in a number of ways. We first solicited comments from all Members of Congress. Over fifty Members from both parties supplied written recommendations to the Task Force and almost two hundred others provided us with verbal suggestions. The Task Force spent an entire day with the officers and employees of the House and Senate charged with the responsibility to manage the financial affairs of the Congress. We studied their methods and procedures as well as the practical implications of the changes that had been suggested. Former employees also were consulted for further suggestions and recommendations. We thank all of these persons for their time and contributions, which were invaluable to the Task Force in completing its job.

We reviewed the hearing records for legislative appropriations for the last four years. We reviewed a whole range of press accounts over several years, which defined, criticized, or analyzed the system. We reviewed past legislative suggestions for reforms.

Out of it all, six common threads emerged:

1. Few people are happy with the present system, either substantively or procedurally;
2. There is a need to restore major decision-making accountability;
3. There is a need to create greater flexibility;
4. There is a need to increase meaningful disclosures;
5. There is a need to eliminate cash-outs.
6. There is a need to establish a mechanism for the long-range review of the operation, staffing and the appropriate prequisites provided to Members of Congress.

RECOMMENDATIONS FOR IMMEDIATE REFORM

The Task Force recommends immediate sweeping reform of the House Administration Committee.

I. Reform of House Administration

Recommendation No. 1: Rescind the authority of the House Administration Committee to expand, change the character, or create new categories of allowances without a direct vote on the House floor.

Rationale: This Task Force has concluded that the action taken in 1971 to give the House Administration Committee, as presently constituted, the authority on its own volition to adjust accounts was a mistake. That does not mean that the system prior to 1971 was good. It was not. The old system under which each adjustment in office accounts, no matter how trivial, had to be voted on by the entire House, did not protect the public interest. It merely guaranteed that only the most non-controversial items (not necessarily the most rational, efficient, or cost-effective ones) could be passed.

The Committee on House Administration presently has the authority to fix and adjust the amounts, terms and conditions of numerous allowances. The Task Force recommends that such authority be largely resinded. The recision includes: (1) removal of authority to create new allowances, and (2) removal of authority to make adjustments in the amounts of the allowances in excess of (a) increases made necessary by changes in the price of services or materials; and (b) increases made necessary by technological changes in communications equipment, office equipment and the like. Thus, under our recommendation a vote on the floor would be required to authorize any new allowances or to expand the amounts of allowances in excess of that necessary to maintain the present real level of constituent service.

Recommendation No. 2: Reconstitute the membership of the House Administration Committee so that all Democratic members are nominated by the Speaker with the approval of the Democratic Caucus.

Rationale: The Rules of the Democratic Caucus should be modified to provide for selection of Democratic members of the House Administration Committee in the same manner in which Democratic members of the Rules Committee are selected. The House Administration Committee is the administrative arm of the House of Representatives. As such, we believe it should be directly responsible and accountable to the House through its leaders. Giving the Speaker the responsibility to nominate members of House Administration will insure that the leadership pay strict attention to the activities of that committee.

II. Accounts reform and disclosure

The Task Force recommends adoption of the Senate system of consolidated accounts, eliminating cash-outs, requiring total, frequent, and easily understandable disclosure of expenditures from these accounts, monthly certification of employment and salary by Members, committee chairmen, subcommittee chairmen and all officers of the House.

PERFORMANCE OF THE ALLOWANCE SYSTEM

Recommendation No. 3: Eliminate cash-outs.

Recommendation No. 4: Abolish the Postage Allowance.

Recommendation No. 5: Reduce the current 20¢ per mile reimbursement rate for automobile mileage to the prevailing GSA rate (currently 15¢ per mile).

Recommendation No. 6: Consolidate the following remaining accounts:

a. District office space.
b. Telecommunications service.
c. Expenses outside the District of Columbia.
d. Stationery.
e. Constituent communications (newsletter, questionnaire).
f. Equipment rental (including amounts currently available from unused clerk-hire).
g. Travel (Congressional home city to Washington, D.C.).

The value of each present account would be folded into one streamlined account. Members may draw upon that account for any expense incurred in their official capacity with the accompanying requirement that expenditures from the accounts will be published quarterly on a Member-by-Member basis, thus increasing flexibility, accountability and disclosure.

Recommendation No. 7: Require disbursements to be only upon properly documented, signed, certified vouchers.

Recommendation No. 8: Eliminate the provision which currently allows equipment and computer rental from unused clerk-hire.

Recommendation No. 9: Institute the Senate system of installing WATS service which reduces by one-half the telecommunications allowance.

Rationale: It is no accident that, in comparison to the House, the Senate system of accounts is relatively free from criticism. Three years ago the Senate abandoned the anachronistic, inflexible and expensive House system of multiple accounts. The House should follow suit.

The needs of each Congressional district vary greatly. It is simply not possible to service a six square-mile district in Manhattan in the same manner as the 586,000 square-mile State of Alaska. It is, therefore, imperative that we recognize the diversity that exists and allow Members to expend the available funds from the consolidated allowance in the way Members determine best fit the needs of their constituents—with the requirement that every expenditure be disclosed.

The consolidation of allowances will not increase costs to the taxpayer, and in fact, is likely to effect substantial savings. Those responsible for administering the Senate accounts system indicate that the consolidation of allowancs led to reduction in the cost of administering the separate allowances, and provided a more efficient means of overseeing expenditures. They also indicated it reduced pressure to increase Senate allowances and resulted in return of substantial amounts by Senators.

It has been estimated that it costs about $500,000 per year to operate a House office under the present system. Elimination of the postage allowance and elimination of the "cash-out" provisions, coupled with the consolidation and streamlining of the accounts system, should reduce that estimate.

A further benefit to the taxpayer is the incentive inherent in a consolidated allowance to stretch available resources as far as possible, thereby encouraging the economical use of the allowance dollar. All funds disbursed from the consolidated allowance will be vouchered and certified, compiled on a Member-by-Member basis, and published quarterly. Disclosure, certified vouchers and the elimination of "cash-outs" will serve as the best guarantee of effectively preventing the types of abuses which are alleged to have occurred in the recent past.

Certain accounts such as the "stationery account" and the "outside of the District of Columbia expense account" allow Members to receive cash instead of providing direct payment for services. Eliminating the option to "cash-out" such allowances will remove a major criticism of the present system.

The rationale for reducing the 20c per mile auto reimbursement rate to the current prevailing G.S.A. rate which applies to all other employees, is that there is no justification for Members of Congress to be reimbursed at a higher rate than anyone else.

The provision for equipment and computer leasing from unused clerk-hire should be eliminated. Under our recommendations the amounts previously available from clerk-hire would be included in the consolidated allowance, thus limiting the use of clerk-hire to the purpose for which it was intended, i.e., the provision of clerical, professional and other personnel and legislative support services.

The postage allowance of $1,140 in air mail and special delivery stamps should be eliminated because the franking privilege covers domestic first class mail costs for official

business. Postage for overseas, insured, certified, return-receipt, and special delivery mailings can be vouchered for from the consolidated allowance.

PUBLIC DISCLOSURE

The Task Force is recommending a number of items to increase the public's right to know how its tax money is being spent.

Recommendation No. 10: Members, committee chairmen, subcommittee chairmen and all officers of the House should be required to certify monthly to the salary and performance of official duties of every employee on their payroll or assigned to their committee or subcommittee.

Recommendation No. 11: The Task Force recommends the information in Recommendation No. 10 be published quarterly. The report shall include alphabetical indices by employee and employing office, indicating title and salary during each quarterly period.

Recommendation No. 12: The Task Force recommends the publishing of all expenditures from the Member's consolidated account quarterly, on a Member-by-Member basis.

Rationale: The Task Force believes that a key to public trust is public knowledge. Disclosure of expenditures by a Member of Congress of public money in the performance of his/her official duties protects the public from misuse of government funds and the Member from unjust innuendo.

The above recommendations can be immediately implemented. Their rapid adoption should make it evident that the House intends to meet its responsibilities to function in a proper, efficient and open manner which will do a great deal to insure propriety and the appearance of propriety in the administration of accounts and staff of the House.

ESTABLISHMENT OF A COMMISSION ON FUTURE REFORMS

The preceding recommendations, sweeping as they are, represent only a first step in terms of what is needed to make the House a truly modern, effective institution. We therefore make the following recommendation:

Recommendation No. 13: The Speaker shall appoint a commission composed of 8 Members of Congress (5 Democrats and 3 Republicans) and 7 persons from outside the Congress to conduct a thorough complete study with respect to the administrative services of the House including staff personnel, administration, accounting and purchasing procedures, office equipment and communication facilities, record-keeping, emoluments and allowances. The commission will seek the advice of both the G.A.O. and the business community. The Commission shall report its findings and recommendations no later than December 31, 1977, after which time it shall cease to exist.

We are mindful that representative government was never intended to be the most efficient form of government—just the best.

But this does not mean that efficiencies cannot be achieved which will increase the ability of Members to respond to their constituents and better inform themselves.

The duties and responsibilities of the House of Representatives have mushroomed over the past twenty years. The day-to-day operations of the Congress have been drastically outpaced by the demands upon Members to provide their constituencies with adequate representation and fair judgments. For example, in the 94th Congress the House has been in session longer, taken more votes, and had more committee meetings than any Congress in history. The number of votes Members must cast has increased dramatically over the past decade—from some 100 per year during the historic 89th Congress to more than 600 per year during the 94th Congress.

In the area of committee meetings, Members have spent upwards of 12,000 hours in committee sessions during the First Session of the 94th Congress. There were 3,878 committee meetings and hearings conducted in 1975, constituting an increase of 30% over the First Session of the 93rd Congress and 60% over the First Session of the 92nd Congress.

Demands from home have expanded just as dramatically. The House Postmaster has calculated that the number of letters flowing into the offices of the House members has increased 200% in the past six years alone—from 14 million in 1969 to 42 million in 1975.

These and other demands have necessitated increasing legislative staff services. The half-million Americans each of us represents have the right to expect that we are going to discharge our legislative duties in a well-informed, responsible fashion. They have the right to expect intelligent answers to their letters, phone calls, and inquiries and they have a right to expect reasonable and efficient access to our offices and services.

We have witnessed an explosion in the number of people coming to Washington—either individually or collectively—in an effort to petition the Congress in the finest democratic tradition.

Members must be equipped to cope with this burgeoning workload—and that cannot be done with mirrors. Nor can it be accomplished by simply streamlining the present antiquated system of accounts and eliminating the current atmosphere of public suspicion and accusation.

What is needed are fundamental changes, both in Congress itself and in public attitudes toward Congress, and such changes cannot be accomplished without a thorough, long-range study by a commission composed of both Members of Congress and the public.

OZARK BIBLE COLLEGE SINGERS

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. TAYLOR of Missouri. Mr. Speaker, through the courtesy extended by your office, it was my great pleasure to present the Impact Brass and Singers of Ozark Bible College in concert on the steps of the House of Representatives on Wednesday, July 28, 1976.

Ozark Bible College is located in Joplin, Mo., with an enrollment of nearly 800 students.

These young people, under the direction of T. Meredith Williams and Willis Harrison, thrilled both Members of Congress and visitors alike with their excellent performance of religious and patriotic music orchestrated into a modern sound.

The highlight of the concert was the playing of the inspirational "American Experience." This salute to our Bicentennial that musically traces America's heritage over the past 200 years has been incorporated in their new record album "Stand Up Together."

The Impact Brass and Singers have been touring the Nation this summer visiting 20 States as well as the District of Columbia. A highlight of the tour was the Fourth of July concert presented in the Chapel of the U.S. Air Force Academy.

Mr. Speaker, I am proud to represent the congressional district in which Ozark Bible College is located and I would like to commend Mr. Don E. Boatman, president of Ozark Bible College, for the fine caliber of young Christian men and women who have gone forth to represent the college.

CLEAN AIR ACT AMENDMENTS: SIGNIFICANT DETERIORATION AND THE CHAPPELL AMENDMENT

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. ROGERS. Mr. Speaker, the House will soon consider the Clean Air Act Amendments of 1976 (H.R. 10498). While a consensus appears to have been reached on most of the rest of the bill, two provisions remain controversial—the new car emission standards—section 203—and the prevention of significant deterioration—section 108.

On this latter issue, Representative WILLIAM CHAPPELL indicated in the June 24, 1976, CONGRESSIONAL RECORD, his intent to offer an amendment deleting the committee proposal on significant deterioration and substituting a 2-year study provision.

I will oppose the Chappell amendment. And I urge my colleagues to do so for the following reasons:

First. The Chappell amendment would constitute congressional ratification of the present EPA regulations. The EPA regulations provide too much Federal involvement and interference in State and local decisionmaking. The committee bill corrects these problems with the EPA regulations and, thus, has won the support of the National Governors' Conference, the National Conference of State Legislatures, the National League of Cities, and the National Association of Counties.

The Chappell amendment will not merely call for a study, as is implied in the June 24 CONGRESSIONAL RECORD statement. Instead, it will amount to an implicit congressional ratification of the EPA regulations which are now in effect—see appendixes I and II for an explanation of why this is the necessary legal effect, if the Chappell amendment were adopted.

The EPA regulations are defective in at least two respects. First, they provide too much Federal involvement and too little State authority. Contrary to Representative CHAPPELL's assertion that the EPA regulations "are much less restrictive" than section 108 of the House bill, there are many respects in which the House bill is more flexible. Among them are the following:

First. The House bill contains no EPA veto authority over State classification

decisions; the administration regulations permit such a veto.

Second. The House bill contains no Federal land manager veto over State classification decisions affecting Federal lands; the administration regulations place Federal land's classifications totally under the control of the Federal Government.

Third. The House bill permits increased pollution from existing sources due to coal conversions and natural gas curtailments not to count as using up any of the available increment; the administration regulations do not permit any such exclusion.

Fourth. Except for the 3-hour SO_2 standard, the House class II increments are more lenient than the current regulations.

Fifth. The House bill actually permits more growth than the present regulations, because requiring use of best technology on major new pollution sources means each new source eats up less of the available air quality increment.

EPA Administrator Train has admitted that current regulations "provide much more of a role for EPA in the process than I would prefer"—letter to Senator Moss, June 11, 1976.

There is a second defect in the EPA regulations. They do not provide for adequate involvement of local governments in the decisionmaking process.

The committee bill corrects these failings in the EPA regulations. As pointed out above, the Federal role in administering and overseeing the significant deterioration policy has been substantially curtailed by the committee bill. The authorities of State and local governments have been enhanced. It is for this reason that the House committee bill has won the endorsement of the National Governor's Conference, the National Conference of State Legislatures, the State and Territorial Air Pollution Program Administrators, the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and the National Association of Regional Councils.

Second. The committee's proposal has been subject to comprehensive, even exhaustive studies on economic and energy impacts. These studies have shown the House bill to be reasonable and balanced.

Already, the Environmental Protection Agency has spent $1 million to assess the economic, energy, and environmental consequences of the significant deterioration policy. The Federal Energy Administration has spent nearly $500,000. Other agencies—Commerce, Interior, and so forth—have also conducted studies.

Studies have been performed by various industry groups—the electric utilities, the paper industry, the mining and smelting industries, and so forth. Studies have also been performed by State and local groups.

The studies that have been conducted show the House committee bill to be reasonable and well balanced. This is shown by the EPA–FEA studies. And these studies are consistent with those of the electric utilities.

Third party studies agree. As pointed out above, State and local agency studies have found the committee bill to be reasonable and to offer sufficient flexibility to permit States and local governments to balance energy, economic growth, and environmental needs. A recent study of an energy analyst with the Appalachian Regional Commission concludes that the House bill "offers a logical approach to the combined objectives of environmental preservation, energy independence, and economic development." See Campbell, "The 1975 Amendments to the Clean Air Act—An Assessment," Appalachian Regional Commission, March 26, 1976.

The House bill has the support of many groups, groups which would not concur if energy or economic development were seriously threatened. In addition to the supporters previously mentioned, the groups supporting the committee bill include: The National Retail Merchants Association, the National Realtors Association, the National Realty Committee, the National Association of Home Builders, the International Council of Shopping Centers, the American Retail Federation—whose members employ 12 million employees—the United Mine Workers, the United Steel Workers, and the United Auto Workers.

The committee proposal calls for continuing studies and report to Congress as this provision is being implemented. But the committee bill would not delay the congressional action to clarify and give the legislative guidance that is so necessary on this issue.

Third. There is a pressing need for clarification and congressional guidance to remove uncertainty on this issue. The Chappell amendment would prolong this period of uncertainty for at least 3 more years. The committee bill will resolve the question once and for all and will put an end to the litigation.

In February 1975, President Ford sent a message to Congress urging Congress to clarify its intention on the policy of "significant deterioration." Administrators Train, EPA and Zarb, FEA testified in favor of congressional action to resolve this uncertainty. States and local governments testified that they could not get on with their air pollution control programs until the doubts about basic national policy are resolved. Industrial and business groups pleaded for congressional action and sufficient certainty to permit business planning decisions to go forward. Before the courts, business, and industrial groups have argued that congressional guidance on this issue has been inadequate. Recently, the U.S. Court of Appeals has even indicated its intention to await further congressional action before resolving pending legislation on this issue.

The committee bill will provide the necessary legislative direction and certainty to break the log jam which has lasted 4 years. For it was 1972 when the court first decided that EPA must prevent significant deterioration.

The Chappell amendment, on the other hand, will prolong the period of uncertainty for at least 3 more years. Two years will be allotted for further study. At least 1 year more after that will be needed to legislate a particular proposal in response to that study.

In the meantime, as is pointed out subsequently, EPA's regulations remain in effect. But this means States, local governments, and business must gear up twice. First, they must meet EPA's current regulations and procedures. Then, in 2 years, after the study called for by the Chappell amendment, the rules may all be changed. All governmental and business planning decisions will remain in an uncertain limbo. This constant shifting of the rules is not fair to business and the States.

Prolonging delay, uncertainty, and indecision would be irresponsible at a time when reasonable certainty is needed to promote economic recovery. Congress' failure to act now would be irresponsible when we are arguing that Congress should not be delegating so much authority to administrative agencies and courts.

The time for decision is now. The National Governor's Conference is on record as supporting the House committee provision and opposing any further delay in congressional action on this issue. So are the State and Territorial Air Pollution Program Administrators, the National League of Cities, the National Association of Counties, and the National Council of State Legislatures.

For these reasons, the Chappell amendment should be rejected. I urge the House instead to support the committee bill.

I include the following:

APPENDIX I—WHY THE CHAPPELL AMENDMENT WILL CONSTITUTE A RATIFICATION OF PRESENT EPA REGULATIONS

There are several reasons why the Chappell Amendment will necessarily constitute an implicit congressional ratification of EPA's current regulations on prevention of significant deterioration.

First, these regulations are in effect now. Congress knows about them and has known about them for almost two years. Rep. Chappell knows about them; he refers to them in his statement of June 24, 1976. Furthermore, Administrator Train of EPA has announced that, if the Chappell Amendment passes, he will have no choice under the court's order but to implement and enforce EPA's present regulations. Clearly under the Chappell Amendment these EPA regulations would remain in effect.

Second, the basic statutory authority under which the EPA significant deterioration regulations were promulgated would remain unchanged by the Chappell Amendment. The Administration, wishing to clarify the policy or to strike the "significant deterioration" policy from the existing Act, submitted proposed language to strike the policy. The Subcommittee and Committee considered this amendment, understood its import, and rejected it. Rep. Chappell's amendment would not in any way affect the existing Act, from which the basic duty to prevent significant deterioration arises. In light of this history, the Chappell Amendment cannot be construed as a challenge to the basic duty to prevent significant deterioration, which is found in the present Clean Air Act. Rep. Chappell's Amendment only affects the Committee bill, not any provision of the existing Act.

Third, the language of the Chappell Amendment is identical in almost all respects to the language of Senator Moss' Amendment. Senator Moss has indicated his intention that EPA regulations would remain in effect, if the Moss Amendment were adopted. (Congressional Record, June 8, 1976, S. 8700.) Since the Chappell Amendment is almost a verbatim duplication of the Moss Amend-

ment, the same intention must be imputed to the Chappell Amendment.

Finally, the recent Clean Air Act cases in the U.S. Supreme Court have stressed the weight which the courts will afford to the interpretation of the Act given by EPA. In this case, for many of the reasons stated above, the Office of General Counsel of EPA has concluded that enactment of the Chappell Amendment would be interpreted as ratification of the Agency's regulations. (See Appendix II) Administrator Train in his letter of June 11, 1976, to Senator Moss interprets the effect of the amendment the same way:

"Your amendment would eliminate any statutory approach, [in the 1976 amendments] leaving in effect the EPA regulations promulgated about one year ago pursuant to order of the Federal courts, which absent statutory action by the Congress I must vigorously implement."

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., July 20, 1976.

APPENDIX II

Re Congressman Chappell's Proposed Amendment of June 24, 1976 to H.R. 10498.

Hon. PAUL G. ROGERS,
House of Representatives,
Washington, D.C.

DEAR MR. ROGERS: Your staff recently requested our legal analysis on the above-referenced amendment's effect, if enacted into law, on EPA's existing regulations for the prevention of significant air quality deterioration. Our response to your inquiry is enclosed herewith in the form of a legal memorandum.

As you will see, we have concluded that enactment of the Chappell amendment would constitute affirmative Congressional ratification of EPA's regulations.

Please do not hesitate to contact me if I can be of further assistance.

Sincerely yours,

G. WILLIAM FRICK,
General Counsel (A–130).

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., July 20, 1976.

MEMORANDUM

Subject: Effect of Chappell Amendment on EPA's Existing Regulations for Preventing Significant Deterioration.

From: Richard G. Stoll, Jr., Attorney Air Quality and Noise Control Division (A–133). Paul Stern, Legal Intern, Air Quality and Noise Control Division (A–133).

To: G. William Frick, General Counsel (A–130).

The staff of the House Interstate and Foreign Commerce Committee (hereinafter referred to as the "House Committee") has asked for our legal analysis on the above-referenced subject.

BACKGROUND

EPA's regulations for the prevention of significant air quality deterioration (PSD) were promulgated in final form in 1974. 40 CFR 52.21(b), 39 *Fed. Reg.* D2510. EPA has been actively administering the regulations for over a year.

The regulations were required by a Court order. *Sierra Club* v. *Ruckelshaus*, 344 F. Supp. 253 (D.D.C. 1972), affirmed 4 ERC 1815 (D.C. Cir. 1973), affirmed by an equally divided Court *sub nom. Sierra Club* v. *Fri*, 412 U.S. 541 (1973). Other Courts have recognized the necessity for the PSD regulations. *NRDC* v. *EPA*, 489 F.2d 390, 408 (5th Cir. 1974); *City of Highland Park* v. *Train*, 519 F.2d 681, 685–86 (7th Cir. 1975).

The PSD issue has received close attention in Congress for some time. The House Committee and the Senate Public Works Committee held extensive oversight hearings on the subject in 1973 and 1974. Both in 1974 and 1975, the Administration proposed amendments to the Clean Air Act which would have required revocation of the PSD regulations by deleting the PSD concept from the Act entirely. These amendments have been rejected by the appropriate committees and subcommittees in both houses.

Both the House Committee and the Senate Public Works Committee focused on the PSD issue, the Administration's proposed amendments, and EPA's regulations during hearings in 1974 and 1975, and both Committees have dealt extensively with the issue in recently reported bills.

The House Committee reported H.R. 10498 on May 15, 1976.[1] Section 108 would amend the Clean Air Act to require deletion of EPA's current PSD regulations (House Report, page 5) and the substitution of related but substantially different requirements. The Senate Public Works Committee reported S. 3219 on March 29, 1976.[2] Section 6, like Section 108 of H.R. 10498, would retain the PSD concept but impose substantially different requirements than are contained in EPA's regulations.

In the face of these Committee Bills which reflect disapproval of EPA's current PSD regulations, floor amendments have been introduced in both houses which would delete the Committees' PSD sections and create a commission to study PSD issues. Senator Moss introduced his amendment on April 13, 1976 (Cong. Rec. daily ed. S5612–14); Congressman Chappell introduced his on June 24, 1976 (Cong. Rec. daily ed. H6695). The amendments are identical. Neither purports to require revocation of EPA's current PSD regulations;[3] both require a study of "any proposed or existing [PSD] requirement . . . under this Act" in order to determine the economic, energy, and environmental impact of such requirements.

ISSUE AND ANALYSIS

The particular issue raised by the House Committee staff is the effect the Chappell/Moss amendments would have, if enacted into law, on EPA's current PSD regulations. Our conclusion is that the amendments would ratify EPA's regulations.

First, it is obvious that the Chappell/Moss amendments in no way revoke or disapprove of EPA's regulations. As noted above, Senator Moss made this point in his remarks. Moreover, the key statutory language of the amendments (quoted above) would be meaningless if the intent were to revoke or disapprove the regulations, since there would then be no "existing [PSD] requirement under this Act" to study.

Second, our analysis of the case law shows that enactment of the Chappell/Moss amendments would constitute affirmative Congressional ratification of EPA's regulations. Our conclusion is based on the following relevant factors which have been described in more detail above:

(a) As amply reflected in both Committee Reports, Congress has full knowledge of the scope and effect of EPA's regulations and is fully aware of Court decisions which required such regulations;

(b) Congress, through its relevant substantive committees, has rejected proposals to delete the PSD concept from the Act entirely; and

(c) By passing the Chappell/Moss amendments, Congress would defeat proposals (section 108 of H.R. 10498 and Section 6 of S. 3219) designed to reject EPA's regulations in favor of substantially different requirements.

At issue in a very recent Supreme Court case was the power of the President to lay duties on imported oil under the Trade Expansion Act (19 U.S.C. § 1862(b) Supp. IV)). *FEA* v. *Algonquin SNG, Inc.*, 44 USLW 4883 (June 15, 1976). In that case, as is the case with PSD, the Act in question did not specifically and unambiguously confer authority on the President to impose such duties. The Court nevertheless upheld such authority, relying heavily on the fact that the appropriate Congressional committees were well aware of the Executive branch's legal interpretation and had taken no action to overrule it legislatively. 44 USLW at 4489–90. The Court also specifically rejected the notion that Congress' defeat of an amendment conferring related but clearly different powers implied Congressional rejection of the powers claimed by the President. 44 USLW at 4889. Thus, following the *Algonquin* reasoning, Congress' defeat of the substantially different PSD provisions contained in the Committee Bills would in no way constitute a rejection of EPA's regulations. Instead, as made clear from the cases discusssed below, since Congress was aware of EPA's regulations and took no action to overrule them when it had the clear opportunity to do so, Congressional approval of the regulations should be inferred.

In another recent case, the Supreme Court relied on the existence of a well-known judicial interpretation, coupled with the failure of Congress to adopt amendments overturning that interpretation, as arguing "significantly" in favor of Congressional acceptance of the interpretation. *Blue Chip Stamps* v. *Manor Drug Stores*, 95 S. Ct. 1917, 1924 (1975). In *Blue Chip*, the Court affirmed the judicially-created doctrine that the implied cause of action under SEC Rule 10b–5 was limited to purchasers and sellers of securities. In the PSD context, then, where the Supreme Court's affirmance of the *Sierra Club* case and other related cases are obviously well-known, Congress' failure to overturn those cases argues "significantly" in favor of legislative ratification.

Similarly, in *Canada Packers Ltd.* v. *Atchison T. & S.F. Ry. Co.*, 385 U.S. 182 (1966), the Supreme Court upheld an interpretation of the Interstate Commerce Act which had been adopted by the ICC. Even though the Court noted that there may be "considerable merit" in a contrary position, 389 U.S. at 183, the Court relied largely on the point that Congress had not seen fit to change the interpretation although it could easily have done so, 385 U.S. at 184.

Another relevant case is *Zemel* v. *Rusk*, 381 U.S. 1 (1965), where the Supreme Court found Congressional intent to impose area restrictions on passports. The Court based its decision largely on Congress's failure to revise the Passport Act (22 U.S.C. § 216 (1958)) in the face of Congressional awareness of an executive order calling for such area restrictions and of the executive practice of imposing such restrictions. 381 U.S. at 9–12. As noted above, Congress is well aware of EPA's PSD regulations and the fact that EPA has been implementing them for over a year.

A particularly pertinent case is *Allstate Construction Co.* v. *Durkin*, 345 U.S. 13 (1953), where the Supreme Court was asked to decide the scope of coverage of overtime provisions in the Fair Labor Standards Act (29 U.S.C. § 207(a)). The Court provided background remarkably similar to the PSD history:

"It is contended that we should not construe the Act as covering the 'off-the-road' employees because it was given a contrary interpretation by its administrators from 1938 until 1945. During these first years

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[1] Clean Air Act Amendments of 1976, 94th Cong., 2d Sess., H. Rept. No. 94–1175.

[2] Clean Air Amendments of 1976, 94th Cong., 2d Sess., S. Rept. No. 94–717.

[3] In remarks made on the Senate floor April 27, 1976, Senator Moss made clear that "the EPA regulations are not affected" by his amendment. Cong. Rec. daily ed. S6017.

after the Act's passage the administrator did take such a position. But more experience with the Act together with judicial construction of its scope convinced its administrators that the first interpretation was unjustifiably narrow. He therefore publicly announced that off-the-road employees like these were protected by the Act. The new interpretation was reported to congressional committees on a number of occasions. Interested employers severely criticized the administrator's changes. Specific amendments were urged to neutralize his interpretation." 345 U.S. at 16.

Noting that Congress failed to adopt amendments overruling the controversial administrative and judicial interpretation (as Congress has also failed in the PSD context), the Supreme Court held that it would not repudiate an administrative interpretation which Congress had "refused to repudiate." 345 U.S. at 17.

Finally, a line of D.C. Circuit cases shows that Court has consistently followed the same principles reflected above. See *Wildernes Society* v. *Morton*, 479 F.2d 842, 866–67 (D.C. Cir. 1973) (en banc); *Thompson* v. *Clifford*, 408 F.2d 154 (D.C. Cir. 1968); and *Mitchell* v. *Covington Mills*, 229 F.2d 506 (D.C. Cir. 1955).

It should be noted that the first two cases failed to find that legislative inaction amounted to ratification of an administrative interpretation. The reasoning of these decisions, however, is consistent with the Supreme Court cases and squarely supports our conclusions with regard to PSD. As stated by Judge Wright for the *en bloc* Court in the *Wilderness* case, the rule is as follows:

"[I]n actual cases courts have to analyze whether there is any reason to believe that the particular administrative interpretation in question *came to the attention of Congress* so that it might be reasonably said that *Congress, by failing to take any action with respect thereto, approved the interpretation.*" 479 F.2d at 866 (emphasis added).

The Court failed to find ratification in *Wilderness* because there was no evidence that the administrative action in question had "ever been brought to the attention of Congress." 479 F.2d at 867. Similarly, in the *Thompson* case, the Court refused to find ratification because there was no evidence that the administrative practice in question had been "brought home" to the Congress. 408 F.2d at 164.

As made abundantly clear from the discussion above and the Committee Reports themselves, EPA's PSD regulations have been "brought home" to Congress. It is entirely consistent with the decisions of the Supreme Court and the D.C. Circuit cases, then, to concluded that enactment of the Moss/Chappell amendments will result in affirmative legislative ratification of EPA's regulations.

UNESCO'S ASSAULT ON NEWS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. ASHBROOK. Mr. Speaker, the old saying goes "Better late than never." This would seem to apply of late to the liberal newspaper. The opposite of its position is more likely than not to be correct and what the American people support. However, after union pressmen wrecked that paper's presses before going out on strike, the Post began to realize some of the errors of its ways in liberal domestic legislation.

With the radicalism of the Arab terrorists and the African tyrants, the Post has begun to see some of the organized stupidity of the United Nations. Some of us have never been fooled by that cluster of begger nations and Communist parading as a deliberative body but the Post has been. Arafat brandishing a firearm when speaking, throwing out the free Chinese in a callous nature, resolutions on Zionism and some of the logical consequences of the claptrap assembly have started the Post to reconsider its position.

Today's Post contained an editorial which recognizes some of the arrogance of UNESCO which some of us have been talking about for years. Better late than never. The editorial follows:

UNESCO'S ASSAULT ON NEWS

UNESCO is at it again, trampling on the high principles it was created to serve. Its constitution commits all members to "recommend such international agreements as may be necessary to promote the free flow of ideas by word and image." But UNESCO is currently working up international agreements to block that vital flow. Its regional conferences have begun to act formally to convert news—which the Universal Declaration of Human Rights defines as something which "everyone" has a right to seek, receive and impart "through any media and regardless of frontier"—into a national commodity which it is any government's right to exclusively control.

Just last week, for instance, UNESCO's Latin-Caribbean sub-group proposed that regional governments "define a concerted policy" on what information should be distributed by satellite, and that the governments create a Latin news pool to "counterbalance" foreign-agency news. Another resolution called on governments to define the "social responsibilities" of the public and private mass communications sectors. Reinforcement is being given to these and other UNESCO moves by the conference of "nonaligned" states due to meet next month in Sri Lanka. Its members are expected to call for a pool of national news agencies so as to be in a position to counter, if not to exclude, the Western agencies now providing much of their news.

The Russians and the other Communist states, of course, have long treated news as a state commodity—that is to say, as propaganda. What is new and unfortunate is the degree to which large parts of the Third World are moving toward the Russian position. They are asserting a claim to control not only news about themselves in their own media but—by restricting the correspondents and copy of Western media—news about themselves in the media of other nations. And UNESCO, instead of defending the principles to which its charter commits it, is instead allowing itself to be used to lend the coloration, status and mutual encouragement of international legitimacy to news restrictions heretofore asserted chiefly on a national basis.

Now, this newspaper, which offers its news product for foreign sale, has an undeniable self-interest in nourishing an international climate in which the commercial opportunities for Western media are maintained. But this, of course, is no different from the vested interest that the American media—being free, competitive institutions—have in maintaining the same commercial opportunities at home. It is a simple matter of principle coinciding with commercial self-interest, and the principle involved here, of course, was set forth at a rather early stage in our history, in the First Amendment to the Constitution. And if it is a sound principle for us in this country, it follows, or so it seems to us, that it is also a good rule to apply to the communication of ideas abroad; government sponsorship of the gathering or distributing of news, no matter whether the news originates inside a country or from outside, promotes propaganda and deforms the whole idea of a free press. And so, like just about everybody else in our business, we reject the notion that a state should exercise exclusive control—or any control, for that matter—over what news should be published. It is saddening, though perhaps, given its record, not entirely surprising, that this principle should be lost on UNESCO and that such an organization, with so much potential for the promotion of free communication, should allow itself to be converted from an instrument for the transmission of ideas into an instrument for the national regulation of ideas.

We are not insensitive to the feeling in some Third World places that they are swamped by the Western media—news agencies, satellites or what have you. In our judgment, however, their proper response is to strengthen their own media, as many (with Western aid) have done. To convert all news to propaganda in the name of combatting "cultural imperialism" is simply to follow the Russian example of tailoring mass communications to the convenience of the ruling elite. Obviously the model appeals to a growing number of Third World states. And this, we submit, is a dangerous and dispiriting trend.

THE ARAMCO AMENDMENT REVEALS WEAKNESSES IN OUR TAX LEGISLATIVE PROCESS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1976

Mr. VANIK. Mr. Speaker, in recent weeks another chapter has been written on the special tax treatment for ARAMCO, the multinational consortium which produces oil in Saudi Arabia. On December 2 of last year, I submitted to the RECORD a statement which outlined the strange circumstances surrounding a small, complex tax provision which was designed solely to benefit the corporate owners of ARAMCO—Texaco Mobil, Socal, and Exxon. This provision was enacted into law in the Tax Reduction Act of 1975, Public Law 94–12. Before proceeding to the next stage in the story of this amendment, I will briefly review the facts I have been able to uncover about the origin and substance of this special piece of tax favoritism.

THE ORGANIZATION OF ARAMCO

ARAMCO is a Delaware corporation which is owned by four multinational corporations. The principal task of ARAMCO is to produce oil and to turn that oil over to its four corporate stockholders at the Saudi Arabian port of Ras Tunura. Under terms of the Tax Reduction Act, ARAMCO must transfer its oil to the four owner companies at an arm's length market price. Although virtually all the oil ARAMCO produces goes to its owners, the Saudi Arabians have arranged for a gradual takeover of production. This arrangement does not mean that the Saudis will become a shareholder of ARAMCO; rather, the Saudi Government currently has a 60-percent participation in the "producing assets" of ARAMCO. Negotiation is proceeding for a 100-percent takeover of these facilities.

According to the staff of the Joint

Committee on Internal Revenue Taxation, ARAMCO's income from oil extraction can be calculated as follows:

Posted price per barrel	$12.38
Operating cost	(.12)
Royalty (20 percent of posted price)	(2.47)
Net amount	9.79
Foreign tax (85 percent of net amount)	(8.32)
Additional payments*	(.36)
Total costs	(11.27)
Market price (93 percent of posted price)	11.51
Net income per barrel	.24

* Additional payment compensates the Saudi Arabian government for its ownership of 60 percent of production.

With annual average production of 6.8 million barrels per day, the staff of the JCIRT calculates ARAMCO's profits as follows:

[In billions]

Income before taxes	$23.1
Foreign taxes	22.5
Net income after tax	.6

In a financial sense, ARAMCO is little more than a clearinghouse. ARAMCO is a privately held corporation and the shareholders have developed an efficient, high-speed system for distributing virtually all of ARAMCO's profits to its shareholders in the form of dividends.

TAX TREATMENT OF ARAMCO AND ITS SHAREHOLDERS—THE 85 PERCENT DIVIDENDS RECEIVED DEDUCTION

In order to prevent the multiple taxation of corporate earnings as they passed from one corporation to another in the form of dividends, it has been a long-standing principle of our tax law to grant a special deduction for dividend income received by a corporate taxpayer. Up until 1935, no tax was imposed on income received by one corporation from another corporation. In 1935, under a New Deal effort to crack down on corporate tax avoidance and simplify the corporate tax law, the law was revised to allow only 85 percent of the dividends received to be exempt from tax. It is this 85 percent dividends received deduction which is most valuable to ARAMCO.

Under ARAMCO's financial structure, which actually involves a two-tier corporate organization, the income that Texaco, SoCal, Mobil, and Exxon receive from ARAMCO is subject to very little, if any corporate tax. By permitting these companies to deduct 85 percent of dividends received from ARAMCO, the maximum effective tax rate on this income can only be 7.2 percent. That is, the maximum U.S. tax that can be imposed is equal to the corporate rate of 48 percent on the 15 percent of dividends received from ARAMCO, or 7.2 percent of the total dividend income.

THE TAX REDUCTION ACT AND THE ARAMCO AMENDMENT

Despite this benefit, ARAMCO has not stopped here. Last year, with the passage of the Tax Reduction Act, Congress enacted curbs on the abuse of the foreign tax credit by the oil companies. Briefly, these abuses arose due to the oil companies' practice of claiming a large percentage of their payments for foreign oil as foreign tax credits which are deductible dollar for dollar against U.S. taxes. Because of these abuses, the oil companies were able to avoid virtually any U.S. tax on their foreign earnings—even income from nonoil-related activities.

The reforms of the Tax Reduction Act were designed to achieve two objectives: First, to limit the amount of foreign tax credits resulting from the rise in OPEC prices; and, second, to impose some U.S. tax on foreign income generated from oil production. To achieve these objectives, the law provided that the oil companies segregate their foreign income by activity. Only income generated from oil related activities could be offset with tax credits arising from oil production. In other words, the tax credits which develop from the peculiarities of the posted price system could only shelter foreign income related to oil production. These credits had been, for example, used to shelter income from an oil company's shipping operations.

In a little noticed provision of the Tax Reduction Act, language was inserted to include in the definition of "oil-related income" dividend income received by one domestic corporation from another domestic corporation. This provision benefits only the four companies that own ARAMCO, and its effect is to shelter from U.S. tax the remaining 15 percent of dividend income that Exxon, Mobil, Texaco, and SoCal receive from ARAMCO. The staff of the JCIRT estimates that the benefit to these taxpayers from this small provision is $35 million per year.

The ARAMCO amendment arose during the consideration by the conference committee of the Tax Reduction Act. As a conferee, I have no recollection of ever discussing this amendment. My formal inquiries to other members of the conference committee, the staff of the JCIRT, and the staff of the House legislative counsel produced no light on the origin of this provision. Indeed, it appears that the ARAMCO amendment was a deft piece of footwork by the major oil companies.

THE TASK FORCE ON TAXATION OF FOREIGN SOURCE INCOME

As part of a further study of general tax reform issues, the Ways and Means Committee last spring delegated the study of various issues to a number of task forces composed of Ways and Means Committee members. The task force on the taxation of foreign source income, of which I am a member, recently took up the ARAMCO amendment to the Tax Reduction Act. The results of the task force consideration of this issue are, frankly, disappointing.

After a discussion of the origin and impact of the ARAMCO amendment, the task force rejected a motion that it recommend to the full Ways and Means Committee that the ARAMCO amendment be dropped. This motion failed by a recorded vote of 4–6.

With the rejection of this motion the task force took a further step to expand the loophole. Following a recommendation by the staff of the JCIRT, the task force accepted a motion to include interest income in the definition of "oil-related income" eligible for foreign tax credits. Interest income arises when one domestic oil corporation borrows from another domestic oil corporation to conduct oil production operations abroad. While the preferential treatment of dividend income affects only ARAMCO and loses $35 million in revenue, the preferential treatment of interest income will reduce the tax burden of other multinational oil companies by $90 million each year. The Senate Finance Committee, in its consideration of the Tax Reform Act, has already voted to expand the ARAMCO amendment to include interest income.

Mr. Speaker, we are witnessing the classic origin of a tax loophole. In the first step, a special tax provision—clothed in generalized terms, but benefiting only a handful of taxpayers—is enacted into the law. At the next stage, the loophole is expanded—in the interest of some false sense of "equity"—to benefit a slightly larger, but still specialized constituency. All the while, the Federal tax base is whittled away and the burden of those citizens still paying taxes is increased proportionately.

TAX AVOIDANCE AND THE SALE OF ARAMCO

It has been reported in the trade press that Saudi Arabia will likely pay the Arabian American Oil Co.—ARAMCO—$250 million in cash as compensation for the outstanding 40 percent of ARAMCO assets. This payment is in addition to the payment of $510 million at the time Saudi Arabia acquired 60 percent of ARAMCO.

I am concerned about the tax implications of this transaction. Since ARAMCO has substantially depreciated its investment in Saudi Arabia and takes advantage of the intangible drilling expense provisions of the tax code, it is likely that the remaining cost basis of ARAMCO's assets is small. As a result, it seems probable that virtually all of the payments ARAMCO receives from the Saudis will be treated as capital gain income for tax purposes.

However, it is unlikely that ARAMCO will pay any U.S. tax on this capital gain. ARAMCO can shelter this income from U.S. tax with the use of the foreign tax credits it generates from all production in Saudi Arabia.

It is probable that ARAMCO will then distribute 100 percent of this capital gain income to its owner companies—Exxon, SoCal, Mobil, and Texaco. This distribution will occur in the form of a dividend payment. Under previous tax laws—section 243 of the code—85 percent of these dividends would be tax free. Under the Tax Reduction Act of 1975, ARAMCO can shelter the remaining 15 percent from U.S. tax. That is, under this act, the owners of ARAMCO can treat these dividends received as 100 percent tax free foreign oil-related income—section 907 (c) (B). This income to the members of the consortium can be sheltered from U.S. tax by using foreign tax credits that the owner companies have generated from their other foreign oil production activities.

In short, it appears that under present law, during this taxable year 1976, there will be no tax collected by the U.S. Treas-

ury on the sale of the remaining 40 percent of ARAMCO assets to Saudi Arabia. There are likely to be two massive transfers of income—one from Saudi Arabia to ARAMCO and a second from ARAMCO to its owner companies—which will be made without any U.S. taxation, despite the fact that both ARAMCO and its four stockholders are U.S. corporations. I have estimated that each of these two income transfers will be in the neighborhood of $250 million.

Mr. Speaker, the time has come to reveal and end the special tax treatment that the oil companies have enjoyed ever since the percentage depletion allowance was enacted in 1926. The American public has grown tired of special deals. What is worse, they have grown cynical of political leaders who continually engineer these deals. I am hopeful that in the 95th Congress with a new Democratic administration which is committed to change we will see a genuine effort to reform our Nation's tax laws.

SENATE—*Monday, August 2, 1976*

The Senate met at 9 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, in whom we live and move and have our being, at another week's beginning with all the draining duties of these demanding days, we lift our prayer to Thee. Into Thy hands we commit our lives in all their weakness and all their strength. Overrule our mistakes and so reinforce our minds and hearts by Thy grace that we may give a good account of our stewardship. When the pace quickens and the pressures intensify may we find a quiet moment now and then when we may be alone with Thee, our spirit communing with Thy spirit. Strengthen our faith, mellow our judgments, deepen our spiritual insights, and grant us a part in the fulfillment of Thy mighty purpose in the world. And to Thee shall be all the praise and thanksgiving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 2, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, July 30, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the executive calendar under the heading U.S. Railway Association.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

U.S. RAILWAY ASSOCIATION

The second assistant legislative clerk read the nomination of Richard B. Ogilvie, of Illinois, to be a member of the board of directors of the U.S. Railway Association for the remainder of the term expiring July 8, 1976, and a member of the board of directors of the U.S. Railway Association for the term of 6 years expiring July 8, 1982.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 20 minutes, with statements therein limited to 5 minutes.

Is there morning business to be transacted?

CALIFORNIA MAY FORCE ALASKAN OIL SHIPMENTS TO JAPAN

Mr. STEVENS. Mr. President, I shall use the morning hour time available to me this morning, as I intend to do so several days hereafter, to warn the Nation that it may well be necessary to ship Alaskan oil to Japan because of the position of the State of California with regard to the offloading facilities for Alaskan oil.

Some people seem to think that the predicted surplus of oil on the west coast indicates that Congress made a mistake when it authorized the trans-Alaska oil pipeline.

We do not believe that is the case. The history of the demand for petroleum and the supply of petroleum on the west coast, particularly in California, since the time we enacted the Trans-Alaska Pipeline Act, is something that no one could have predicted. There has been an unusual and unprecedented reduction in demand in California. This was brought about by conservation efforts, increased prices, and the economic downturn. In addition, Congress has authorized production from the Elk Hills Naval Petroleum Reserve; there have been ever-increasing imports from Indonesia and Alaskan production from existing supply areas has been increased.

In any event, the problem now occurs because of actions of the State of California—actions which indicate that they are playing a waiting game with regard to the offloading facilities for oil in order to have some leverage over the gas supply picture for the whole Nation.

I have heard criticism in this body to the effect that we do not have a national energy policy. If we do not have a national energy policy, and I think we really do if we could put it together, the reason is that the State of California is playing a game with us, with very high stakes, in order to try to increase the supply of gas that it would have over the long run.

If Alaska oil goes to Japan it will not be the fault of those of us who fought so hard for the Alaska oil pipeline, but it will be the fault of those in California who refuse to bear a fair share of the energy transportation burden for this country.

It should not be necessary for us to sell our oil to Japan. We contemplate it would be possible to work out an exchange whereby Alaskan oil would be shipped to Japan and the oil that would be bought by Japan from either the Middle Eastern area or Indonesia would be shipped to our east coast. Actually, under existing law this would enable our east coast market to get Alaskan oil at a price that is much cheaper than foreign oil. It could save the world transportation distances as far as tanker routes are concerned because both the east coast and Japan are farther from the points or origin of the oil they are